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ABSTRACTS

The Role of Theory in Comparative Politics

A SYMPOSIUM

By ATUL KOHLI, PETER EVANS, PETER J. KATZENSTEIN, ADAM PRZEWORSKI, SUSANNE HOEBER RUDOLPH, JAMES C. SCOTT, and THEDA SKOCPOL

The Center of International Studies at Princeton University organized a symposium during 1993–94 on the role of theory in comparative politics. Presented here is an edited and condensed version of the proceedings. In light of recent challenges posed by both rational choice and postmodern cultural approaches, the symposium helped elucidate the merits of competing theoretical approaches. A group of distinguished scholars presented a variety of views on the subject. In spite of recent intellectual developments, a diverse group of symposium participants adhered to a loosely defined "core," or to what one participant characterized as the "eclectic center" of comparative politics.

Federalism, Chinese Style

THE POLITICAL BASIS FOR ECONOMIC SUCCESS IN CHINA

By GABRIELLA MONTINOLA, YINGYI QIAN, and BARRY R. WEINGAST

China's remarkable economic success rests on a foundation of political reform providing a considerable degree of credible commitment to markets. This reform reflects a special type of institutionalized decentralization that the authors call "federalism, Chinese style." This form of decentralization has three consequences. First, it fosters competition, not only in product markets, but also among local governments for labor and foreign capital. This competition, in turn, encourages local government experimentation and learning with new forms of enterprises, regulation, and economic relationships. Second, it provides incentives for local governments to promote local economic prosperity. Finally, it provides a significant amount of protection to local governments and their enterprises from political intrusion by the central government.

Neoliberalism and the Transformation of Populism in Latin America

THE PERUVIAN CASE

By KENNETH M. ROBERTS

Latin American populism is generally associated with the developmental stage of import substitution industrialization; it is thus widely presumed to have been eclipsed by the debt crisis of the 1980s and the free market reforms of the neoliberal era. However, the leadership of Alberto Fujimori in Peru suggests that new forms of populism may be emerging despite the fiscal constraints of neoliberal austerity. This new variant of populism thrives in a context where economic crisis and social dislocation undermine traditional representative institutions, enabling personalist leaders to establish unmediated relationships with heterogeneous, atomized masses. Political support can be cultivated through populist attacks on entrenched political elites or institutions, along with targeted but highly visible poverty alleviation programs. This new form of populist autocracy complements the efforts of neoliberal technocrats to circumvent the representative institutions that are integral to democratic accountability. The Peruvian case thus demonstrates that populism has been transformed rather than eclipsed during the neoliberal era and that it should be decoupled theoretically from any particular phase or model of economic development.

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Security Studies and the End of the Cold War

By DAVID A. BALDWIN

The end of the cold war has generated numerous reflections on the nature of the world in its aftermath. The reduced military threat to American security has triggered proposals for expanding the concept of national security to include nonmilitary threats to national well-being. Some go further and call for a fundamental reexamination of the concepts, theories, and assumptions used to analyze security problems. In order to lay the groundwork for such a reexamination, the emergence and evolution of security studies as a subfield of international relations is surveyed, the adequacy of the field for coping with the post–cold war world is assessed, and proposals for the future of security studies are discussed. It is argued that a strong case can be made for reintegration of security studies with the study of international politics and foreign policy.

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THE ROLE OF THEORY IN COMPARATIVE POLITICS

A Symposium

By ATUL KOHLI, PETER EVANS, PETER J. KATZENSTEIN, ADAM PRZEWORSKI, SUSANNE HOEBER RUDOLPH, JAMES C. SCOTT, and THEDA SKOCPOL*

INTRODUCTION: ATUL KOHLI

THE Center of International Studies at Princeton University organized a symposium during 1993–94 on the topic of "The Role of Theory in Comparative Politics." The symposium seminars generated considerable interest among participants, enough to lead the editors of *World Politics* to publish this edited and condensed version of the proceedings for a broader audience. A group of distinguished scholars—Peter Evans, Peter Katzenstein, Adam Przeworski, Susanne Hoeber Rudolph, James Scott, and Theda Skocpol—responded to the main themes of the symposium. These themes are itemized below followed by the responses of the individual scholars. Some of the main conclusions that emerge from these diverse responses are then summarized at the end.

The field of comparative political analysis is again embroiled in theoretical controversy. While theoretical debates are hardly new to comparative politics (for example, no single paradigm has dominated the field for too long, and both methodological and ideological differences are common among comparative politics scholars), current claims and counterclaims appear to be deeply divisive. At one end of the methodological spectrum, there are the new students of political culture, inspired by a variety of postmodern or culturally relativistic claims, who doubt the value of causal explanations altogether and thus of conventional social science theorizing in comparative politics. The other

* The symposium was organized under the auspices of the Center of International Studies, Princeton University. Symposium seminars were all held at Princeton University during 1993–94. Thanks are due to John Waterbury, the director of the Center of International Studies, for his encouragement and support. This edited and condensed version of the proceedings was prepared for publication in *World Politics*.

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methodological extreme is defined by nomothetic claims: because all social actors, including political actors, are rational utility maximizers, deductive logic and modeling, inspired by microeconomics and/or game theory, can help uncover the coherence that underlies the apparent chaos of political life. In between these two extremes—that is, toward the "center"—remain the majority of comparative politics scholars. Too "social sciency" for some and too much of "storytellers" for others, they are the ones who mainly pursue theoretically informed empirical political analysis, focusing on one or more countries, through diverse conceptual lenses and utilizing a variety of data, contemporary or historical, qualitative or quantitative.

The symposium at Princeton helped elucidate these competing theoretical debates: should the "center" hold? If so, why? If not, why not? The invited scholars were asked to address these broad issues. Instead of giving formal papers, they were additionally asked to (1) characterize their own approach to comparative politics; (2) discuss why their approach may be preferable to other approaches; and (3) most importantly, in light of the theoretical controversies outlined above, provide their views on where comparative politics as a subfield is headed and/or ought to head. A summary of their responses follows.[1]

Peter Evans

The central question of this symposium, as I understand it, is whether the eclectic messy center that has constituted the traditional core of the study of comparative politics is in danger of being overrun. My bottom-line response is simple: the study of comparative politics will neither descend into a swamp of impenetrable jargon that purports to be about discourse and symbols nor turn into a desert of ahistorical formal models that purport to describe the microfoundations of political behavior. There are powerful reasons why the core of comparative politics is as it is and those reasons have not disappeared. Obviously the study of politics must deal with values and symbols and how people understand them. Likewise, it should make use of the conceptual tools currently being generated by game theorists. Nonetheless, the eclectic messy center will not be overrun.

Since this conviction stems in part from my view of the generic

[1] The talks were recorded and then transcribed. I took considerable license in condensing and adapting the talks for publication. The published version has been approved for publication by each individual participant.

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forces that shape the evolution of social science paradigms, I will begin my discussion there. I would then like to explain more clearly what I mean by the eclectic messy center, using my own work as an example. This done, I will discuss why ahistoric, asocial versions of rational choice or game-theoretic analysis are unlikely to overrun the center. Finally, I will talk about why I see the role of cultural theories as inherently partial.

In thinking about the evolution of social science paradigms, it is useful to ask about microfoundations. What motivates us to undertake the kind of research and writing that we do? Most scholars would agree that part of the answer is that we care about particular cases. If I were to do a study of inflation, for example, it might be in part because I was interested in its general parameters, but it would also be because I happen to have friends who live in a country where inflation has run at 30 percent a month, tearing apart their lives. As long as we care about particular cases, we are compelled to do history, to try to understand specific sequences of events and to acquire the ideographic knowledge that understanding specific sequences of events entails.

There is another, even more primitive and pervasive set of incentives involved in most social science investigations. We would all like to predict when something bad or something good is likely to happen to us or, better still, figure out how to increase the likelihood of something good happening. We are therefore always trying to conceptualize a particular sequence as one example of a larger set of similar sequences. The more we know about the set, the more likely we are to be able to anticipate the outcome of any given sequence. If we can describe key characteristics parsimoniously, we can handle bigger sets and talk about larger numbers of individual outcomes. The desire to predict is part of social science, not because we are positivists but because social scientists share with everyone else the desire to know what is likely to happen to them and how they might be able to improve prospective outcomes.

Our interest in particular cases thus keeps pushing us in the direction of doing history. Our interest in figuring out what is going to happen to us makes even the crudest and most limited theorizing tremendously attractive. Neither motivation is likely to disappear from the social science scene, regardless of changes in intellectual fashion.

The agenda, activity, and paradigms of the social science community are not shaped only by the motivations of individual scholars. Nor are they shaped only by discourse within the community itself à la Thomas

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Kuhn.[2] Agendas are powerfully shaped by the demands and constraints of consumers and patrons. Everyone, from our students to the National Science Foundation, is interested in having us elucidate particular historical sequences and wants to know more about the likely consequences of social action. They provide persistent incentives, both for the ideographic understanding of particular sequences and for predictions. Their pressure fits nicely with the kind of work that is found in the eclectic messy center of comparative politics.

By now, what I mean by the "eclectic messy center" should be clearer. It is work that draws on general theories whenever it can but also cares deeply about particular historical outcomes. It sees particular cases as the building blocks for general theories and theories as lenses to identify what is interesting and significant about particular cases. Neither theories nor cases are sacrosanct. Cases are always too complicated to vindicate a single theory, so scholars who work in this tradition are likely to draw on a mélange of theoretical traditions in hopes of gaining greater purchase on the cases they care about. At the same time, a compelling interpretation of a particular case is only interesting if it points to ways of understanding other cases as well, so scholars in this tradition are often chastised for "trespassing" on the historical cases of other specialists in their search for broader generalizations.

Since I consider my own work very much a part of the eclectic messy center, let me use it to illustrate the interplay of theory and cases. First of all, theory has been very important to me because it helps define what questions are worth looking at and, by extension, provides an external definition of what cases are most interesting to examine. In short, it defines "big ideas." My early work on Brazil was originally motivated by a desire to understand how the process of industrialization was affected by the fact that economic actors from other countries were playing a central role in that process.[3] Why did I think this question was important? Heated general debates between proponents of economic growth and dependency theorists made my particular investigation seem relevant and worthwhile. Later in the 1980s I began to focus more specifically on the role of the state in industrial transformation.[4] Once again, the topic seemed important in part because big theoretical assertions were being made, most prominently by neoliberal propo-

[2] In this sense my vision of the evolution of scientific paradigms is distinctly "un-Kuhnian." Cf. Kuhn, *The Structure of Scientific Revolutions* (Chicago: University of Chicago Press, 1962).

[3] See Peter Evans, *Dependent Development: The Alliance of Multinational, State and Local Capital in Brazil* (Princeton: Princeton University Press, 1979).

[4] See, for example, Peter Evans, *Embedded Autonomy: States, Firms, and Industrial Transformation* (Princeton: Princeton University Press, 1995).

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nents of modernized and aggressive versions of classic theories of the minimalist state.

I should point out that in both cases, theory, in the sense of big ideas, was defined more broadly than in the Kuhnian sense of a discourse within a particular community of investigators. These theoretical debates engaged me because they resonated outside my own community of scholars. The debates between transnationalism and dependency and around the modern resuscitations of the theory of the minimalist state have been driven, not only by academics, but also by politicians, policymakers, and even "regular" people who see these issues as important to their lives.

General theoretical perspectives have also been important in my work as a source of tools. I draw on general theoretical frameworks to help me describe mechanisms that make the behavior of actors and institutions causally plausible. For example, when trying to distinguish the behavior of multinational firms from that of local entrepreneurs, I have drawn (parasitically) on a rudimentary set of propositions from microeconomics.[5] By taking the conventional theory of the firm, adding a little bit of industrial organization, a little bit of Herbert Simon, and some political arguments about issues of nationalism and legitimacy, I was able to specify causally plausible mechanisms that helped explain how these actors behaved. The result was eclectic and messy, but it helped illuminate the case.

Likewise, in my more recent work on the state, several theories of how organizations work—for example, simple economic models about how bureaucrats function and what kind of incentive systems bureaucracies create—have again been important in trying to generate causally plausible mechanisms. Some generic "cultural" ideas about when people are likely to care about what other people think of them and feel accordingly constrained have also been important. No single ready-made theoretical model can provide all the tools necessary to explain the cases I am interested in, but an eclectic combination offers enough leverage to make a start.

My attempts to investigate big questions or to work through the implications of plausible causal mechanisms have always been tied to particular cases. I end up presenting complicated pictures of institutional configurations that are very much rooted in particular historical settings. Nevertheless, I have always felt that, if they were to be useful,

[5] I say "parasitically" because I make no claim to be a contributor to the development of this body of theory.

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these configurations had to be conceptualized in ways that were potentially separable from the settings in which they were originally derived. In order for my efforts at deciphering particular historical sequences to be worthwhile, they have to speak to other cases as well. The general ideas I derive from a particular case may or may not fit other cases, but they should at least seem worth applying.

The notion of "dependent development," which I found useful in summarizing some key features of Brazil's post-World War II development trajectory, is a good example. After working on Brazil for a number of years, I became interested in East Asia. I began by examining the applicability of dependent development and found that it did not apply. Figuring out why that was so not only helped my understanding of East Asia but also led me to reformulate my earlier ideas of what was distinctive about Brazil.[6] I would like to think that every time I gain a better understanding of a particular historical sequence, the process will also generate some ideas that will be useful in other cases, useful not only to me but to others as well.

Given my sense of the character of work in the eclectic messy center, it should be clear why I feel it is unlikely that the center will be overrun. The absence of well-defined consensus on methodological models or theoretical propositions may appear to be a source of vulnerability, but it also makes it easier to absorb new ideas. The persistent movement between cases and theories makes it hard for any particular theory to gain dominance and makes it easier for the tradition to speak to a broad audience.

In my own case, the absence of threat is probably most obvious in the case of the recent offshoots of microeconomics. It is hard to see these approaches as undercutting my work. To the contrary, as a potential parasite, I hope, for example, that people working on principal-agent theories can come up with simpler and more powerful ways of describing how firms and bureaucracies behave. I could certainly use better tools.

Some might say that I am naïvely underestimating the natural imperialism of strategic actor models, that formal models are already encroaching on an ever-wider range of political behavior, and will continue to do so until they constitute an all-encompassing paradigm instead of simply a set of tools. Frankly, I think there are several reasons why this is not going to happen. First, it is very difficult to aggregate

[6] See Evans, "Class, State, and Dependence in East Asia: Some Lessons for Latin Americanists," in Frederic Deyo, ed., *The Political Economy of the New Asian Industrialism* (Ithaca, N.Y.: Cornell University Press, 1987).

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from microfoundations without changing your style of analysis and exposition. Indeed, it is not just difficult, but inefficient. Trying to explain institutions by aggregating individual rationalities is like trying to explain chemical reactions by using propositions from subatomic physics. It may be possible in principle, but it is neither efficient nor effective.

Equally important is the fact that rational choice theorists are not immune to the pressures of providing a comprehensible understanding of particular sequences. Consumers and patrons will push them to do more history. Once they do, their work will begin to involve an increasing amount of detailed analysis of particular institutions and look more like work in the eclectic messy center. As sophisticated understandings of game-theoretic models become more widely diffused among new generations of researchers, the novelty of asocial and ahistorical modeling will pale. The tendency for game-theoretic elements to become embedded in historically and institutionally complex arguments will increase and the approach will become progressively less threatening to the messy eclectic center.

There is one other reason why I am less worried about the expansion of rational choice theorizing than I might have been some years back. Over the last ten years theoretical work at the core of economics, in both trade and growth theory,[7] has opened up space for multiple equilibria and path dependence. These new theoretical approaches are saying that even in principle, formal theoretical models cannot provide determinative answers without knowing something about individual sequences of events. There has to be an element of path dependence, which is to say history. So even as the economistic models are making their forays into other social science disciplines, the theoretical redoubts from which they came are changing in ways that are much more friendly to the kind of work which goes on in the messy eclectic center.

But what about new forms of cultural analysis? Like rational choice and game-theoretic approaches, cultural approaches have certainly experienced a boom in recent years. Might they overrun the eclectic messy center? Anyone who doubted that culturally oriented approaches might be used to address core issues of comparative politics was certainly forced to reassess his or her views when confronted with a recent article by that hard-nosed veteran of the field, Samuel Huntington, in which he argued that world politics was entering a new phase, wherein

[7] See, for example, Paul R. Krugman, *Rethinking International Trade* (Cambridge: MIT Press, 1990); Paul Romer, "The Origins of Endogenous Growth," *Journal of Economic Perspectives* 8 (Winter 1994); and Brian W. Arthur, "Positive Feedbacks in the Economy," *Scientific American* (February 1990), 92–99.

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the dominant sources of conflict would be culturally based, that is, based on a politics of identity and culturally distinctive values rather than on the politics postulated by conventional theories of political economy.[8] Not only did Huntington make the argument, but his article was touted in *Foreign Affairs* as the "X" article of the post–cold war era.

The article, although fascinating, is also a good illustration of the limits to the ascendance of culturally based arguments. In it, Huntington conjures up a world in which a "Confucian-Islamic connection" confronts "the West." Imagining such a world may be a nostalgic trip for those who miss the old clarity of global communism versus the free world, but as a plausible description of the contemporary world it simply does not fly.

The extent to which the vision is misguided is most obvious when you look at the Confucian end of this connection. In constructing his connection, Huntington makes much of the fact that the Chinese were willing to make some money by selling missiles to some not very price-sensitive customers in the Middle East. I would agree that the transaction is indicative of behavior at the "Confucian" end, but it is not about cultural affinity, it is about sharp business practice.

The forces that are reshaping China today are much more about selling Nike shoes to the U.S. than they are about selling missiles to the Middle East. In East Asia it is the politics of growth and accumulation that is delivering the goods. Interest-based political economy arguments are becoming more, not less, relevant. If we are looking for plausible causal mechanisms in the world's most populous and rapidly growing region, it is time to "round up the usual suspects" of political economy. Some combination of markets, bureaucracies, and informal mechanisms in the pursuit of power and conventional material gains makes sense both to political leaders and to people in the street.

As long as we live in a world where the normal, interest-based logic of political economy remains plausible to policymakers and to the people in the street, cultural analysis is not going to overrun the eclectic messy center. Obviously, we should use the analysis of discourse, values, and symbols to modify, complement, and contextualize conventional political economy arguments, but we are not likely to get very far by constructing an alternative worldview that completely bypasses old-fashioned power and interests.

Advocates of cultural analysis may protest my using the work of Huntington as an example, since he is hardly in the vanguard of post-

[8] The reference is to Samuel Huntington, "The Clash of Civilizations," *Foreign Affairs* 72 (Summer 1993).

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modern thinkers. I would respond that more sophisticated ways of analyzing discourse and symbols do not escape the problems that I have raised in relation to Huntington, and they have additional problems of their own. Insofar as they are indeed anticausal, they must fly in the face of one of the two generic social constraints that I outlined at the beginning. The consumers and patrons of social science want help in figuring out what is likely to happen to them if they take one course of action rather than another. Individual practitioners who refuse to deliver predictions and are only willing to discuss the ways in which social life is inherently inchoate and unpredictable are unlikely candidates for establishing hegemony.

One important caveat is in order. People want prediction because they are looking for better outcomes. Persistent bad times, whether explicable or not, bring disillusionment with theories that claim to enhance predictability. The conventional logic of political economy has failed to deliver for a large share of the world's population and has little prospect of delivering for them in the future. Those living on the other end of Huntington's Confucian-Islamic connection are a case in point. On the Islamic end of the supposed connection, there is a region and people that have long suffered political humiliation and, over the last ten to fifteen years, have suffered from declining growth and trade as well. It is hardly surprising that under such circumstances movements based on identity and culturally distinctive values should gain strength. To the extent that they do, the causally plausible microfoundations of conventional political economy become increasingly less compelling.

The global political economy includes regions in which states and markets are delivering and regions in which they are not. To analyze such a world, one must combine conventional political economy kinds of analysis, which focus on how people get what they want, with cultural approaches, which help us understand the nature of the preferences themselves. And, of course, this combining of conventional political economy with approaches that focus on the origin and nature of preferences themselves is precisely the sort of eclectic work that the center of comparative politics has practiced for a long time.

Let me sum up. First, individual and societal incentives push us toward the detailed examination of individual cases, toward history. At the same time, they demand guidelines to future outcomes—that is, prediction. The character of work in the messy eclectic center is an effective response to these pressures. Second, rational choice and game-theoretic approaches are less threatening to the messy eclectic center

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than they might seem. They can be a useful source of causally plausible mechanisms for explaining institutional change. Their more sophisticated practitioners will tend to get drawn into more institutional and historically complex investigations, which lead them in turn in the direction of the messy eclectic center. This tendency is reinforced by the fact that recent innovations at the mathematical heart of economic theory have opened theoretical space for historical and institutional arguments.

The potential hegemony of cultural approaches is limited by the fact that the incentives of conventional political economy still make sense to most people "on the ground." As long as cultural analysts eschew prediction, they will not satisfy most consumers and patrons and will therefore remain marginalized. When states, markets, and conventional politics fail to deliver the conventional goods, the politics of identity and culturally distinctive values become more salient. In a global political economy that consistently delivers for some but not for others, cultural analysis must be combined with conventional political economy, a combination most likely to be offered by the messy eclectic center of comparative politics.

PETER J. KATZENSTEIN

I wish to argue here that neither specific subfields of political science nor particular analytical perspectives deserve any special intellectual standing. Instead I welcome the blurring of distinctions. This is true for the distinction between comparative and international politics, but it holds, as well, for different approaches in these subfields, such as rational choice, cultural studies, or institutionalism. None of these professional "flags" is in my view particularly useful. You will therefore not hear from me about the color of the flag under which we must rally or the size of the dragons we must slay. I am interested in questions: when all is said and done, scholars do their best research because of the political problems and the intellectual puzzles that engage them, not because of the sage advice of prophets of the profession. In a similar vein, I also hold that professors do their best teaching not by initiating students to their favored sect but by honing the students' sense of problem-focused research and by preaching the virtues of eclectic theorizing. Hence I leave to others the giving of advice about what "the field" should do.

Working at the margins of comparative and international politics has

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provided me with a distinctive perspective. Contemporary research on comparative and international issues increasingly calls for blurring the distinctions between political economy, security, and culture. And there is a growing need to erase the barriers between comparative politics—of which American politics is a part—international relations, and political theory. My own research has taught me that the state is not a unitary actor and that the origin of political preferences—and hence history—matters. But most importantly, I have learned that you have to ask important and interesting questions. That is the hardest thing to do and the hardest thing to teach. We can teach paradigms, analytical perspectives, and methods by taking them off the professional shelf and transporting them to the classroom. What we cannot teach so readily is how to ask important and interesting questions, the hallmark of superior research and great teaching.

What do we mean by comparative research? To this question I offer the answer I learned in graduate school, for it is still useful and plausible: comparative research is a focus on analytical relationships among variables validated by social science, a focus that is modified by differences in the context in which we observe and measure those variables. My church of scholarship is a cathedral not a chapel; hence I subscribe to an expansive notion of "social science." The church of scholarship accommodates many different sects often bent on fighting holy wars: behavioralists and nonbehavioralists then, rationalists and interpretivists now. In my view international research should focus on international and global phenomena, including the relations between states and transnational processes and structures that occur either outside or across societal and state boundaries.

As I look at the intellectual vicissitudes of the comparative and international fields, they appear to move in cycles. In the field of international relations, for example, one cycle started in the 1960s, when much original and imaginative work was done on strategic theory and national security. In the 1970s the innovative scholarship in international relations moved toward the field of political economy and eventually branched off in two directions. The first branch focused on qualitative research, with the state and other institutions as its main analytical focus. The second branch developed along rationalist lines by focusing on international regimes and other international institutions. As comparative and international political economy were becoming established areas of scholarship, security studies in the early and mid-1980s experienced an intellectual renaissance led by a new cohort of scholars. This

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group, farther removed from active policy engagement than its predecessors of the 1950s and 1960s, was committed to applying standard structural or rationalist explanations to contemporary and historical cases of security conflicts between states. With the end of the cold war their concentrated focus on questions of military security, as well as their statecentric perspective, has provoked vigorous debate. It is generating a new corpus of scholarship that will substantially expand the field of security studies not by replacing strategic studies but by complementing it with a broader view of security and by going beyond the state-centered perspectives of the mainstream.

These two cycles are now moving to productive new intersections—for even if world revolutions do not change the habits of scholars, boredom does. First, scholars interested in security or political economy are seeking to apply the insights of one field to the other. Furthermore, as cultural and rationalist perspectives direct our attention to new questions—and, one hopes, new insights—in the fields of security and political economy, there is less interest in the predictable disagreements between realist scholars of security who favor structural explanations and liberal scholars of political economy who favor rationalist explanations.

Comparative work in recent decades has witnessed a move away from political culture and political sociology and from styles of analysis that tended to disregard institutions. Critics of that literature have pointed out that it typically treated culture as little more than a residual variable. This focus was replaced by a renewed attention to the role of institutions in politics. The new institutionalism took two forms, "thick" and "thin." The "thin" version offers a rationalist style of analysis. Derived from transaction-cost analysis and public choice theory, it takes the role of institutions seriously as facilitating solutions to coordination problems. The "thick" form is concerned with both states *and* social structures, not with just one of them, and it looks at social sectors, political coalitions, political institutions, and ideological constraints.

These two movements in comparative studies were mutually reinforcing and confronted somewhat related problems. For thick institutional analyses the problem was one of disaggregation. This research tradition does a good job of illuminating a broad variety of political settings, but it is less successful at connecting what it has to say about states, social structures, political coalitions, and ideologies to individual decision makers. Conversely, thin institutionalism confronts the problem of aggregation. Done carefully, thin institutionalism tells us much about the microfoundations of individual policy choices and politics, but it is much weaker in generalizing from the specific to the general.

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Because corresponding problems continue to bedevil both types of institutional analyses, scholars working in both traditions typically should be cautious about touting the virtues of their favored approaches.

The renaissance of sociological and cultural studies was a second development that came later to the comparative field. With its focus on the institutionalization of meaning, some of this research was evidently influenced by the work of the previous decade. Here too there is a bifurcation between what I would call, for lack of a better term, the objective versus the subjective move. I will put aside the subjective move, by which I have in mind postmodernism in its various guises. It is deeply influenced by intellectual currents in Europe as they apply in the humanities and in cultural studies, as well as in anthropology, to a variety of texts and are often directed to the analysis of a very expansive notion of politics. Much postmodern scholarship rejects the social science enterprise as I understand it here, submitting competing truth claims to empirical tests rather than simply offering playful illustrations.

The objective move is concerned with identities and norms. Norms are understood in the sociological tradition as areas of intersubjective agreement, that is, as dealing with objective reality not with subjective factors. This conception of culture differs from that of the 1960s, which focused on individually held values. Obviously there is a relationship between intersubjectively shared norms and deeply held subjective values. But compared with psychologists, political scientists are less well equipped to understand these relationships. This sociological version of cultural studies is important for comparative analysis because norms and identities often get institutionalized. The two research programs, institutionalism and objective cultural studies, are thus as intimately related to one another as are rationalism and culturalism, economics and sociology.

The debates between realism and idealism in the 1940s and 1950s and between quantitative-behavioral and qualitative-historical approaches in the 1960s were followed in the 1980s and 1990s by the "third debate" in international relations. It has raised ontological, epistemological, and methodological issues that make mainstream realist and liberal scholars uncomfortable because they are not particularly well equipped to handle them. Typically, such discussions occur only at the margins of the field of comparative politics. Scholars of comparative politics have by and large shied away from extreme versions of a nomothetic and typically rational choice approach, as practiced in some specialized subfields of international studies. Similarly, comparative politics scholarship has taken a centrist approach to cultural studies, ac-

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cepting the insights of both cultural and rationalist styles of analysis. There is a very good reason for this centrism. Many strands of interpretivist research rely on methods that tend toward historical reconstructions or genealogical excavations rather than hypothesis formulation and testing. But interpretive social science is particularly helpful for making us think about issues of identity that evidently have become more important in the contemporary analysis of comparative politics than they were two or three decades ago. Rationalist theories have to date been unable to shed significant light on the processes by which identities are built up or down. Conversely, these approaches are well tailored to the analysis of choices of individual or corporate actors whose identity is assumed. In brief, between the false extremes of both rational and cultural approaches, comparative analysis continues to explore a world of power and institutions in which cultural norms and identities interact with interests.

As is true of most other scholarship in political science, international and comparative research, too, is driven by real-world events. This does not mean that we study only the present, for as Schopenhauer has reminded us, newspapers are the second hands of history—they always tell the wrong time. But real-world events spark our imagination, sending us back to the past, which we can then see in very different terms. Rethinking the past in light of the present and conversely rethinking the present in light of the past are productive ways of searching for important and intriguing questions. The momentous political upheaval of the last decade has spurred renewed interest in history in both comparative and international studies, as scholars in both fields turn to the past for insights and categories of analysis that will help us get our bearings in a present that is in flux.

Furthermore, my intuition tells me that real-world events are driving scholarship in a second direction. With the collapse of bipolarity contemporary events are moving us to a world of regions and a new kind of area studies that connect comparative and international research. Since the late 1960s traditional area studies has been criticized relentlessly, and often justifiably, for its lack of attention to explicit comparisons and testable propositions and for its proclivity for analysis that privileges a presumed and insufficiently analyzed cultural uniqueness of a particular country or region. The new kind of regional studies that I envision would connect expertise in language and familiarity with culture and history with a cast of mind interested in either testing the plausibility of different propositions or analytical perspectives against a body of empirical evidence or illuminating that evidence with a variety of in-

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terpretive methods. It is worth pointing out explicitly that since the coding of cases and variables that precedes the testing of hypotheses is often itself an act of interpretation, the two activities are closely related.

With the collapse of the bipolar structure of power there are many good reasons why we are moving toward a world of regions. This is not a world sensibly thought about only in the categories of the 1930s and 1940s. For in this world of regions there exist two noteworthy global processes—the legacy of two hundred years of Anglo-Saxon imperialism—that are no longer tied firmly to territorially anchored states. The first diffuses technologies through markets; hence, states no longer fully control global profits, even though they may contest that fact. The second diffuses human rights and international law; also politically contested by states, this process, too, has had profound political consequences in recent years. Thus, states will rarely give up their sovereign rights, but their sovereignty is nevertheless affected by processes that they no longer fully control. In turn these processes will reknit the relationships between regions and states in novel ways. This creates a new arena for politics, one that did not exist fifty years ago. Although hegemons sought to dominate their regions and international markets were encroaching on state prerogatives, global processes touching the rationalist realm of profit and the cultural realm of identity did not have the political prominence then that they enjoy now. Today's world regions and the states that inhabit them have to respond to these global processes.

To recognize and understand or interpret these processes requires bridging the world of comparative and international studies. A sharp distinction between a nomothetic and an idiographic social science, more recently between rationalism and culturalism, will do little to help us recognize and make intelligible this world of regions. For anybody seeking to answer an important and interesting question would be a fool to sacrifice the insights that can be gleaned from either perspective. Although it is true that among the blind the one-eyed is king, it is also true that good depth perception requires two eyes.

The new regionalism creates local processes of political mobilization and demobilization around internationally and regionally induced political struggles over power, markets, and identities. The intersections of global and local processes and the connections between regional contexts and national states may give us a sense of some of the newly emerging processes and structures as we witness the collapse of some of the old.

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Adam Przeworski

I was urged to speak about approaches, not about the world. I resisted this invitation because I am a methodological opportunist who believes in doing or using whatever works. If game theory works, I use it. If what is called for is a historical account, I do that. If deconstruction is needed, I will even try deconstruction. So I have no principles.

Nevertheless, I do have a message to share. This message concerns the role of theory in comparative research; I spread it because I think that it has consequences for comparative research that are not fully recognized and sufficiently appreciated. The message is simple: comparisons necessarily entail counterfactuals. Comparisons inevitably require theories about what we do not observe, because they cannot rely exclusively on observations. What I am about to argue, moreover, holds whether we are doing large-sample research, up to all cases in the history of the world, or studying just one case. What is involved here is not whether we are doing statistical or case studies. Rather, the issue I am about to outline is inherent to all comparative research.

I will proceed as follows: First, I will explain what I mean by "comparison." Second, I will discuss why the issue of counterfactuals arises. Third, I will focus on the relationship between comparisons and counterfactuals. And finally, I will outline some ways of coping practically with counterfactuals in statistical research and in case studies.

Let me introduce an example that I will use throughout this discussion. It comes from my current research project on the impact of political regimes—classified dichotomously as democracies and dictatorships—on economic growth.[9] The question concerns the impact of democracy on development.

Say that we observe Chile in 1985. We see that its political regime was authoritarian and that the per capita income of the country in that year declined at an annual rate of 2.26 percent. Since we want to examine whether regimes affect growth, we need to know what Chile's growth rate would have been in 1985 had it been democratic: we need to compare the growth of Chile in 1985 under dictatorship and democracy. Obviously, we cannot answer this question with the available observations, since Chile was authoritarian in 1985 and we do not observe Chile in 1985 as simultaneously being not authoritarian. But as comparativists we know what to do: We are told to proceed quasi-experi-

[9] This project is conducted jointly with Mike Alvarez (DePaul University), José Antonio Cheibub (University of Pennsylvania), and Fernando Limongi (University of São Paulo).

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mentally, to look for a case that is exactly like Chile in all aspects other than its regime and, possibly, its rate of economic growth—a "Chile 1985" that is democratic—and then to compare the authoritarian Chile with the democratic "Chile." If we then find that this democratic "Chile 1985" has a positive rate of growth, we conclude that democracy is good for growth. If decay is more profound, we discover that democracy is bad for growth.

And this is indeed what we do. We try to emulate experiments by finding "matches," cases that are "comparable." The logic is the same whether we have just one such pair or many. When doing comparative research, we are told that one should find cases that are as similar as possible, in as many aspects as possible, and then find a crucial difference that can explain what one wants to explain. We have this notion of things being "comparable" as if comparability were an intrinsic characteristic of our objects of investigation rather than a result of our judgments. A comparison of Sweden and Denmark is acceptable. However, if we compare Sweden with Chile or Kenya with Argentina, we are told that this is not a legitimate operation, that this is like comparing apples and pears. Note that the entire organization of our discipline—the institutional structure of political science departments, of professional associations, and of the Social Science Research Council—is organized along geographical lines. I think the underlying construction is precisely this emphasis on quasi experimentation, that is, having cases that are comparable so we can control aspects that are common and then move step by step, variable by variable.

Let me broaden the range of examples. We ask questions about effects of coups on poverty, about the impact of trade policies on economic performance, of electoral systems on political participation, of revolutions on social change, or of class structure on the emergence of democracy. These research questions share the same logic and we approach them the same way, that is, we find matching cases. We take Germany versus England or Japan versus China, and then we compare.

Now, to apply this procedure to my question, that is, the impact of regimes on economic growth, I will take 139 countries, between 1950 or the year of independence and 1990 or the last year for which data are available. I classify their regimes as democracies or dictatorships. If I then calculate means, I will find that democracies during this period had an average annual rate of growth of 2.44 percent per year, whereas authoritarian regimes grew at a rate of 1.82 percent per year. If I also do regression analysis, it will reveal a significant, positive effect of democracy. One may then conclude that regimes matter for growth:

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democracy promotes development. Much of comparative analysis proceeds in the manner just delineated: what I mean by comparisons is this procedure of matching cases.

Suppose, however, that the fact that Chile was a dictatorship in 1985 is not independent of its economic growth. There are several possible reasons for this: first, growth may affect the survival of regimes; second, there may be other underlying factors, such as the level of development, that affect both regime selection and rates of growth; third, there may be some unobservable factors (including errors in measurement) that are common to both variables. Whatever the underlying mechanism, and I will focus on the first, what are the implications for comparative analysis? The main result will be that there will be cases in our sample without a match and our inferences will be biased.

Let me explain. Suppose that democracies that experience an economic decline of 5 percent in a particular year die instantaneously, while dictatorships survive or die independently of economic conditions. We will then observe dictatorships over a full range of exogenous conditions, but democracies over only a part of that range. There will be dictatorships facing adverse conditions, for which there will be no match among democracies. The observable population of democracies will be a biased sample of all the potential conditions.

Indeed, I think that we have to think about the world in this way, or at least suspect the world of being endogenously produced. If we believe that the conditions under which we live are somehow created by people in pursuit of their ends, then the social world which we observe around us is not given, that is, is not independent of our actions, and not independent of various outcomes that we try to explain. We thus must treat the observable world as having been produced by "us," that is, as having been generated endogenously. More specifically, an additional powerful intuition is that the world nurtures successes and eliminates failures. If so, one suspects that there should be more successes to be observed than failures. I want to emphasize immediately that I am not talking about samples here; this is not a question of sampling from available observations. Sampling by the dependent variable is elementary textbook material and it is not what is at stake. The issue rather is that the observable world is not a random sample of the possible underlying conditions. If we want to compare, we must process the impact of independent variables—in my case, democracy and dictatorship, or in other cases, parliamentary and presidential systems, revolution or no revolution, landlord domination versus bourgeois domination—

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across some range of similar conditions. But we cannot expect to find observations across the same conditions.

Let me provide one piece of evidence to buttress the point I am making. Dictatorships in which per capita income declines have an expected life of forty years. Dictatorships that are growing economically can expect to live fifty-three years. Democracies, by contrast, have an expected life of eighteen years when the economy declines and an expected life of sixty-eight years when the economy grows. Democracies are thus much more vulnerable to economic crises than dictatorships. In order to assess the impact of regimes on growth, therefore, you have to take into account the fact that these observations are not exogenously produced. Given endogeneity, you are unlikely to observe poor economic performance in democracies, particularly poor democracies.

Now we are in a position to discuss the relationship between comparisons and counterfactuals. Let us put together two assumptions. Suppose that on the average regimes do not make a difference for economic growth: for any regime during a particular year the growth rate is equal to 2.09, which is the world average during this whole period, plus or minus a random error. We also already know that democracies are more likely to die when they do badly. Pause to think what we are then going to observe in the real world if these two assumptions hold: regimes have no effect on growth but democracies die when they perform poorly.

The answer is that if we take the observations as they are given and calculate the average rates of growth for democracies and dictatorships, we will find that democracies do better in promoting economic growth. When democracies face bad economic conditions, they die, and we do not observe them anymore: if a democracy does poorly, it becomes a dictatorship, so that in the observed population we are going to observe that democracies do better. Yet this finding results not because democracy has any effect on economic growth, but because democracies are more sensitive to economic crises. The fact that the world is not exogenous leads to invalid—specifically, biased and inconsistent—inferences.

What we are observing here is what the statistical literature calls a "selection bias." Indeed, I am persuaded that all the comparative work we have been doing may suffer potentially from selection bias. We cannot do good comparative research unless we worry about selection, that is, until we ask each time how our observations are produced. Is the mechanism by which our observations are produced independent of what we want to explain or not? Unless we pass that test we will be making biased inferences.

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To remove the bias, we need to conjure counterfactuals to fill in the unobserved, truncated part of the distribution. We have to determine somehow what economic growth in democracies would have been had they been exposed to the same range of conditions as dictatorships. This is why comparisons inevitably entail counterfactuals. Since we cannot find a match for the authoritarian Chile in 1985 in the entire population we observe, we must find other ways to determine what the rate of growth of Chile would have been in 1985 had it been democratic.

As always, this is easier said than done. The basic idea is that we must model explicitly the way in which observations are produced and then use this knowledge to fill in the missing parts of the observed distribution to generate counterfactuals. South Korea adopted an export-oriented development strategy that was very successful, but why did South Korea adopt this strategy? And why did Brazil not adopt the same strategy? Only once we answer these questions can we assess whether South Korea would have done worse and Brazil better had they chosen the alternative strategies. Suppose that South Korea chose the export-oriented strategy because it had access to the U.S. market: let this be the selection mechanism. Had Brazil had equal access to the U.S. market and had it chosen the same strategy, what would its performance have been?

Since this procedure entails filling tails of distributions, the methods for correcting selection bias are not robust even when many observations are available. But with many observations, there are standard statistical techniques that we can use: we assume a distribution (and test if it fits), model the selection mechanism, and use the predicted values to fill in the parts of the distribution we do not observe. The counterfactuals we generate provide the "matches" we have been looking for: they are freed from selection bias. We then compare the actual observations with the counterfactual conjectures.

The problem we face is the same in small-sample research. Let me provide just one example: Tocqueville's observation that revolutions do not result in major social transformations. Suppose that revolutions occur only under situations in which it is hard to change things: this is the selection mechanism. We can then guess immediately that the causes of revolution and its outcomes are not independent, and we can intuitively conclude that the conservative outcomes are due to selection, not to "treatment." Had revolutions occurred in situations where change is easy, they would have generated revolutionary transformations.

When doing case studies, we cannot rely on the prop that is available when the number of observations is large: we cannot use a statisti-

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cal distribution to generate the counterfactuals. We must proceed less formally. But I offer a suggestion that I have found fruitful in playing mental experiments: Write up your cases, say South Korea and Brazil, and then use the "search and replace" function on your word processor to transpose the names of countries. Does the story still make sense? Brazil now has access to the U.S. markets. Does it adopt the export-oriented strategy? And if it does, is it successful? The new story may read smoothly, and you will be satisfied. But you may discover that—hold it—the level of relative wages in Brazil may have been too high to export even if the U.S. market were open, the protected sectors were too entrenched politically to tolerate a neutral exchange regime, and so on. Clearly, this is nothing but a mental experiment guided by intuition. But I think this procedure should be a standard protocol for case studies: we must worry about selection and this is at least a way of coping with it.

To conclude, if the observed world is not a random sample of the possible worlds, then inferences from the observable cases, one or all, will be invalid. Comparisons must then entail counterfactuals. We must worry about selection mechanisms, identify their effects, and correct for them.

These conclusions add up to an antiexperimental posture. Our effort should not be to match, since we cannot match when the world does not generate all the pairs we need. Indeed, matching the observable cases may just exacerbate the selection bias. Instead, we must theorize about the mechanisms by which the observations are generated and then use this knowledge to compensate for the nonrandom nature of the observable world.

Susanne Hoeber Rudolph

To pair Weber and Foucault in an essay on the comparative method, as I do here, may appear odd to some. But the contrast (and overlap) provides a vehicle for discussing what stance we shall take to the comparative enterprise—and to the social sciences more generally. The quotations adduced below are offered as a scaffold for the report of my travels from Weber to Weber via Foucault. The encounter with Foucault was more in the nature of a sideswipe than a full-scale encounter, but it led me to read Weber differently. Weber figures in the story because he was a central figure, albeit in mediated form, in defining the comparative enterprise for persons studying the non-Western world in the 1950s and 1960s. I use him and his American progeny as the main figures against whom and with whom to define a stance toward the comparative enterprise.

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An intellectual stance is the fruit of our historical life situation and o. the way the knowledge worlds of our disciplines impinge on us. When in the course of the essay *several* Weber quotations appear, these are meant to convey not that there is an essential, definitive Weber but rather that Weber is subject to different readings. We can understand him as one of the most important of the modernists, but also as a postmodernist. That puts me in the camp with those who see a text, not as having a determinate meaning, but as having a meaning that emerges as a collaboration between reader and author and that is in turn embedded in history. Such an approach to meaning presumes that the phenomenal is constructed; not only texts but also social categories within which we live are constructed. Yet even as we construct the world, we cannot simply construct any world we want to—to refashion a useful Marxism for our times.

The following are the quotes to be considered. First Weber:

> A product of modern European civilization, studying any problem of universal history, is bound to ask himself to what combination of circumstances the fact should be attributed that in Western civilization, and in Western civilization only, cultural phenomena have appeared which (as we like to think) lie in a line of development having *universal* significance and value.[10]

And Foucault:

> The project of a total history is one that seeks to reconstitute the overall form of a civilization, the principle, material or spiritual, of a society, the significance common to all the phenomena of a period, the law that accounts for their cohesion . . . [but] the possibility of a total history begins to disappear. . . . In place of the continuous chronology of reason, which was invariably traced back to some inaccessible origin, there have appeared scales that are sometimes very brief, distinct from one another, irreducible to a single law.[11]

These quotations are cited in tandem for an obvious reason. The introduction to the *Protestant Ethic* that harbors the Weber quote was part of an ambitious architectural edifice, what Foucault would call a total history, tracing the evolution of Western and world civilizations as a continuous chronology of the progress—or failure—of rationalization in the world. The quote represents one side of Weber, that part of him that still thought it possible to carry on the kind of world-encompass-

[10] Max Weber, *The Protestant Ethic and the Spirit of Capitalism*, trans. Talcott Parsons (New York: Charles Scribner's, 1958), 13.

[11] Michel Foucault, *The Archaeology of Knowledge and the Discourse on Language* (New York: Pantheon Books, 1972), 8–9.

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ing projects favored by so much of nineteenth-century social science, especially in Germany. Despite the deep differences between Weber, Marx, Durkheim, and others, their projects were energized by a common enlightenment perspective. It was the world moving on an upward trajectory toward its future, driven by an inner reason that moved straight or dialectically toward a climactic condition, with the West in the vanguard.[12]

The Foucault quote is the marker of a contrary tendency, to dismantle wholes, to disrupt the consistency of large schemes and powerful determinacies; to focus on anomalies; to cut up wholes into discontinuous pieces whose opposing tendencies can be examined, rather than subsumed as anomalies in holistic schemes; to prefer representatives that build in their own contestation rather than offering a smooth, impenetrable face to the world.

The tendencies highlighted in the Weber quote were picked up, rationalized, amplified, and systematized by the structural-functionalism that animated the comparativists of the 1950s and 1960s. Modernization theory elaborated paradigms to deal with political and economic development that would allow the field to move from, as Gabriel Almond put it, "an 'area studies' approach to the study of foreign political systems to a genuinely comparative and analytical one."[13]

It was Talcott Parsons who led the new analytic; he more than any other occasioned the reception of Weber in the United States. The social world, he affirmed, could be understood through the pattern variables, a series of oppositional diads: ascription/achievement; affectivity/affective neutrality; collectivity orientation/self-orientation; particularism/universalism; diffuseness/specificity. As the usage of the pattern variables evolved, the items on each side of this dichotomous construction were seen to be systemically related. Thus, affectivity, collectivity orientation, particularism were joined by an inner logic and were mutually constrained; to be oriented toward human beings was to be oriented toward collective obligations and to care about particular persons or objects rather than general principles and so forth.[14] And affective

[12] For an illuminating philosophical and historical perspective on the modern project, see Stephen Toulmin, *Cosmopolis: The Hidden Agenda of Modernity* (New York: Free Press, 1990).

[13] Gabriel Almond and James Coleman, *The Politics of the Developing Areas* (Princeton: Princeton University Press, 1960), vii. Parenthetically, this quotation was characteristic of most comparative studies in the way it conceived the project as something carried on by a community of Western viewers looking at the "foreign." The creation of multinational and transnational social science communities in the 1990s, as "native" social scientists have broken the Western monopoly, compromises the idea of the "foreign" and has softened the imperialism of categories typical of the 1960s.

[14] Talcott Parsons and Edward Shils, *Toward a General Theory of Action* (Cambridge: Harvard University Press, 1951), 77. It is not self-evident that Parsons and Shils themselves, in this essay, saw the

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neutrality, self-orientation, universalism were similarly thought to be joined.

The two sides of the pattern variables were the framework within which one could understand the march of history, a process in which "growing" and "developing" meant moving from the left side of the dichotomies to the right. The teleological cast of the framework mandated movement toward a necessary future. The march of history offered only two possible routes: one the high road and one a cul-de-sac. Nobody drove this agentless process. The analytic promised closure, confidence that all of the possible permutations of action had been accounted for: "We maintain that there are only five *basic* pattern variables, and that, in the sense that they are all of the pattern variables which so derive, they constitute a system."[15]

Parsons (and Shils) set out to produce a more parsimonious, more consistent summary of the theoretical oppositions of tradition and rationality embedded in the Weberian architecture. It was a totalizing project in the Foucaultian sense. As Parsons told the Faculty Committee on Behavioralism at Harvard in 1954: "A long-term program of scholarly activity which aims at no less than a unification of theory in all the fields of the behavioral sciences is now envisaged."[16] Because the elements were systemically related, the system could only be disrupted as a whole, not in parts. It did not accommodate the possibility that social actors could, as it were, mix and match, take elements from opposite sides of the variables to create new mixes. No hybridities. If social actors or institutions mixed features, they were "transitional," on their way to the predetermined future or lamentably unable to make it.

Weber had laid the basis for the theoretical framework that surmised a fatalistic and passive East lurking behind Parsonian-based modernization theory. Weber's dichotomizing project sorted civilizations on either side of a great divide: those civilizations in which humans were the *instruments* and tools of God and those in which humans were the *vessels* of God; on the one side the ethical religions, which led to this-

left and right side of pattern variables as displayed above systematically related. However, the examples in the essay—which are few—suggest such a grouping (p. 79). Francis Sutton and Fred W. Riggs developed systematic models, complete with presumptions that history was moving from one set of characteristics to another. Sutton is so cited in Almond. For Riggs, see "Agraria and Industria: Toward a Typology of Comparative Administration," in W. J. Siffin, ed., *Toward a Comparative Study of Public Administration* (Bloomington, 1957), 23–116. Almond, in his introduction to *The Politics of the Developing Areas* (fn. 13), explicitly avoids such "unfortunate theoretical polarization" and stresses the embeddedness of traditional in modern structures (p. 23).

[15] Parsons and Shils (fn. 14), 77.

[16] Report by the Faculty Committee, *The Behavioral Sciences at Harvard* (Cambridge: Harvard University, June 1954), 114.

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worldly asceticism and the accompanying urgency to remake the world; on the other side exemplary religion, otherworldly asceticism that shunned activity and accepted the cosmos, that is, fatalism.

The first "field trip" on which Lloyd Rudolph and I embarked began to unravel this inherited apparatus. The sheer noisy, shouting nature of the data encountered flew in the face of the dominant dispositions of the Western social science by which we as observers were then constituted. The experience not only created our first book but also engendered an enduring suspicion of a social science that could so mislead. Looking for "voluntary associations," which we believed to be critical to the civil society necessary for pluralist democracy, we stumbled over caste. That most ascriptively based, hierarchical, diffuse, particularistic institution of Indian society, said to be generative of the fatalism of the East, had spawned/was spawning an adaptive social hybrid that sat comfortably on the divide between "modern" and "traditional."

What Lloyd Rudolph and I encountered was a most inventive mixture of pattern variables—ambitious lower-caste persons who were remaking their social fate by working through an adapted version of traditional collectivities—in other words, grasping their fate in their hands. In its democratic incarnation, caste itself was deeply disruptive of caste hierarchy. To account for the phenomena we were seeing, we had to break up the totalistic, systemic nature of Weberian and Parsonian structures.[17] We elaborated the idea that the world of social change was badly imagined when it was confined within oppositional categories and systemic theories. Much change seemed to proceed by adaptations not captured by the oppositions. Adaptations were created out of mixes of features lying on one or the other side of the pattern variables or the activist and fatalist civilizational line. Dichotomies were logical structures that suppressed the intervening ground on which most of the phenomenal world exists. The categories that constituted the "modern" were not systemically or organically related, as Weber and Parsons and Marx thought, and they were not and would not be universal. They had become related in the specific history of the West and would take as yet unknown shape in the future of the "East." Other modernizers would figure out different constellations of relationships.

The Foucault quote cited here is a critique of *total* history, exemplified in the hypersystemic side of the Weberian project and by its Parsonian variant. Instead of total histories, singular and teleological,

[17] We did so in Rudolph and Rudolph, *The Modernity of Tradition: Political Development in India* (Chicago: University of Chicago Press, 1967, 1984, 1996).

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Foucault intimates multiple and open histories, providing space for alternative social destinies. His is also a critique of the understanding, embedded in modernization theory, that change, or "development," was driven by a *continuous chronology of reason*. My interest in the Foucaultian suggestion of discontinuities and disruptions is not about suspending comparison, generalization, and explanation; it is about dismantling the all-encompassing formats that have imprisoned us and the non-European societies we were trying to explain. Discontinuous, nonholistic projects make it more possible to represent the contested nature of "reality," to avoid subsuming contradictions to "larger" truths or suppressing them altogether in the interest of "consistency." Disrupt means break and challenge: as we construct a story we do so not in the tones of the omniscient observer, of objective truth, of absolute certainty, but in a voice that recognizes we are both partial and partisan and that we express half-truths—which indeed may be the only truths there are.[18] It means a less enthusiastic embrace of attributes regarded as academic virtues, such as consistency, objectivity, parsimony.

Weber, surprisingly, offers us considerable support in developing a different, more contingent stance to knowledge. The quotation featured at the beginning of this essay embodies his attachment to a totalistic, teleological, universalizing, dichotomizing project. But embedded in that quote there is an anomaly: In the midst of a confident assertion of the *universal* significance of Western culture, he emits a kind of epistemological hiccup: ". . . in Western Civilization, and in Western Civilization only, cultural phenomena have appeared which (*as we like to think*) lie in a line of development having universal significance" (emphasis added). It is that self-doubt, that sudden pause in confidence, that begins to suggest the "other Weber."

Weber moves in a world in which reality is not "there" in any transparent fashion but is constructed out of the situation of the observer. "All knowledge of cultural reality," he writes, "is always knowledge from particular points of view."[19] Reality is so infinite, so comprehensive, that the human mind must make severe compromises to grasp it at all, and these compromises arise out of the observer's situation: "The way which life confronts us in immediate concrete situations, it presents an infinite multiplicity of successively and coexistently emerging and disappearing events."[20] And the "scientist" "selects from an absolute infinity a tiny

[18] For a discussion of types of voice and their relationship to truth claims, see Donald N. McCloskey, *If You're So Smart* (Chicago: University of Chicago Press, 1990).

[19] Max Weber, "'Objectivity' in Social Science and Social Policy," in Weber, *The Methodology of the Social Sciences*, trans. and ed. Edward A. Shils and Henry A. Finch (New York: Free Press, 1949), 71.

[20] Ibid., 72.

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portion with the study of which he concerns himself."[21] "Accordingly, cultural science in our sense involves 'subjective' presuppositions insofar as it concerns itself only with those components of reality which have some relationship . . . to events to which we attach cultural significance."[22]

For Weber, reality is clearly not an unmediated, unproblematic concept. He never tells us there is no reality; he does not refrain from using the word; and he does not put it in quotation marks, the postmodern convention for signaling skepticism.[23] Yet by representing reality to us as infinite and ungraspable, he comes very close to a similar position: "coexistently emerging and disappearing"; "infinite multiplicity." These are not phrases that signal certainties. He then suggests that the only way to come to grips with "reality" is in fact through acts of construction. We cut out pieces of the infinite flow in light of our subjective interests. The ideal type allows an unnatural freezing of a moment of "reality" and the possibility of extracting and addressing it.

I would interpret the "subjective" here to refer to the individual who dwells within social and historical contexts on the one hand and paradigm communities on the other that suggest the range of what is of "cultural significance." (In Weber this "I"—the lonely individual who must choose from among contending possibilities without the guidance of any absolute standard—is unconstructed.) And which of the pieces extracted from the flow is "true"? Weber suggests that contradictory cuts may have truth value. At the end of the *Protestant Ethic*, he offers a disingenuous denial: "But it is, of course, not my aim to substitute for a one-sided materialistic an equally one-sided spiritualistic causal interpretation of culture and history." And then he tells us, "Each is equally possible."[24] Indeed, Weber the culturalist constantly invokes materialist interpretations. He refuses exclusive commitment.

This denial would clearly place Weber's work in a more contingent relationship to truth than the totalizing projects discussed above—projects that aspired to encompass all truths in a single systematic formulation and that subsumed all anomalies as exceptions that prove the rule rather than as ruptures. It would place him on the other side not merely of his own more holistic, macrotheoretical self but also of, say, Parsons,

[21] Ibid., 82.

[22] Ibid.

[23] The career of the inverted comma in academic disciplines is worth a biography. It is the caution light on the road to cognition, warning the unwary that a word may not be what it seems, telling the reader that she should walk all around "sovereignty" or "growth" and have a conversation with it about its provenance before incorporating it. Note that Weber does put inverted commas around "Objectivity" in the above-cited article (fn. 19).

[24] Weber (fn. 10), 183.

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Easton, Kaplan, and Waltz, whose theoretical formulations strive to encompass and subsume the relevant phenomenal world within a single system.

Let me sum up then why we can read Weber, who is generally assimilated to the realm of the modernists, as a postmodernist. The case rests *first* on emphasizing the multiplicities with which he continually undermines the universal propositions he puts forward, on his propensity continually to disrupt his own holistic architectonic; *second* on his profound ambivalence about the enlightenment project, about the march of rationalization in human history, which he sees as a destruction of all that is intentional and sensitive and varied and centrally human, the world as iron cage; and *third*, his belief in the multiplicity and simultaneity of "truth," his epistemological polytheism—combined with an absolute conviction, ungrounded, that persons must choose. This last point deserves emphasis. In the face of the ambiguity and simultaneity of truths that is a significant part of the postmodern project, people tend to be overcome by a fear of falling. Where all is in flux, what certainty is there? There is none, says Weber, and adds, with absolute but convincing inconsistency, the person of integrity must choose, must act.

And why should we read Weber as a postmodernist, and what has it to do with comparative method? My story has given me the opportunity to consider, as a comparativist who lived through the era of holistic, macrohistorical social science and was seduced by it, where we are now, and why I think "now" is better. I do not believe that macrosocial theory necessarily or merely entailed a colonial project of knowledge as power, although that was an aspect of it. But because the macrosocial projects of the 1960s were holistic, they were under a logical and intellectual compulsion to suppress alternative truths, to imagine that Western history was world history and suppress the possibility of multiple histories. Those projects prepared a culturally narcissistic mirror for the West. Disrupting such a perspective prepares the ground for scholars to operate as agents in the field of an open history.

James C. Scott

I am not very good at capturing in the abstract how I practice theoretical work in comparative politics. I am better at doing it than at discussing how to do it. With a figurative pistol to my temple, I did actually sit down and write an important maxim of comparative work that derives from the way I do comparative politics. I will be happy to

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mention that toward the end. For the body of my discussion, however, I would like to share some of my current research, which, of course, embodies my preferences for how comparative politics ought to be done.

I am interested in understanding development disasters. It would seem to be relatively straightforward matter to understand why people of different nationalities, ethnic groups, religions, and so on decide that they want to murder one another. It is considerably more difficult—but important—to understand why schemes that were ostensibly meant for the betterment of the human condition have in practice turned out to be deadly.

Let me begin with an argument about what I call *state simplifications*, that is, about why states need to understand societies in schematic ways. I hope to persuade the readers of the potential danger of these schemes, even though, I would argue, they are also necessary. Certain forms of knowledge and control require a narrowing of vision; this tunnel vision offers the advantage of bringing into sharp focus limited aspects of an otherwise very complex and unwieldy reality. This very simplification makes the phenomenon at the center of vision far more legible and hence far more susceptible to careful measurement and calculation on the one hand and to control and manipulation on the other. I will use the invention of scientific forestry in eighteenth-century Prussia and Saxony as a model and a metaphor for state simplifications. This example may appear somewhat obscure at the outset. It is used here as a metaphor for the forms of knowledge and manipulation characteristic of large institutions with very sharply defined interests, of which the state is perhaps the outstanding example, although not the only one. To see how such simplification and manipulation operates in forest management allows us to see how a similar optic operates in other fields of endeavor, including, I will suggest, in the process of knowledge generation in the social sciences.

Prior to the invention of scientific forestry, the early modern European state tended to view its forests through the lens of fiscal needs. That is, aside from particular concerns like timber for masts and shipbuilding, some construction, sufficient fuel wood for the population, and of course hunting rights, the crown viewed its interests in forests by and large through its fiscal lens, reducing them to a single number, that number being the revenue yield of timber that might be extracted annually. To appreciate how heroic this constriction is, notice what is left out of the state's field of vision. Underlying this single numerical indication of revenue yield are not so much trees as commercial wood representing so many thousands of feet of salable timber, so many cords

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of firewood fetching a certain price. Missing, of course, is everything else about the forest—all those trees, bushes, and plants—that hold little or no potential for state revenue. Missing as well are all those aspects of trees, even of revenue-bearing trees, that might be useful to the population but whose value is not convertible into fiscal receipts. Here I have in mind the uses of foliage as fodder and thatched roofs, as food for domestic animals and people, trees and branches as bedding, fencing, hop poles, kindling, bark, roots for medicine and tanning, sap for resins, and so on. The actual tree with its vast number of possible uses is replaced by an abstract tree representing a certain volume of firewood. From the perspective of a naturalist, of course, most of the forest is also missing. Gone are the vast majority of flora, the grasses, the flowers, the ferns, the mosses, the shrubs, the vine; gone also are the reptiles, birds, amphibians, and insects. And from an anthropologist's perspective, nearly everything touching on human interaction with the forest is also missing. Except for its attention to poaching that impinges on the state's claim to revenue and wood or its claim to royal game, the state typically ignores the vast and complex negotiated social uses of the forest for hunting and gathering, pasturage, digging minerals, fishing, charcoal making, trapping, food collection, magic, worship, and refuge.

You could say that the utilitarian state cannot see the real existing forest for the commercial trees. Its partial and abstract view of forest is hardly unique. This is the discourse of natural resources; it is the same discourse that makes the plants we are interested in into crops and the insects that ingest the crops that we are interested in into pests. It is the same logic that turns animals we are interested in into game or livestock and those that compete with or prey on them into predators and varmints. However, it is not the abstract and utilitarian logic which the state applies to the forest through its officials that is distinctive; rather, what is distinctive is that the state can make these categories stick and can impose them—at least to a certain extent—on the reality that it is observing and manipulating.

The invention of scientific forestry in Germany at the end of the eighteenth century was originally motivated by the need to rationalize princely finances. The forests played a very important role in all of this. The earlier system had been quite crude; it entailed simply dividing up the domanial forests and either felling portions or letting the rights to fell portions of it. Since the trees of great value were never randomly distributed, given the varying ecological zones of the forest, the actual revenue tended to fluctuate enormously. There was thus an effort to prevent that from happening. The inventors of scientific forestry spent

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a great deal of time selecting what they thought was a representative plot, quite a large plot, and then set about conducting a complete inventory of this plot. It involved getting some twenty people abreast in sight of one another with great trays carried around their necks, each tray with five bins, each of the bins carrying a known number of nails of a designated color, corresponding to a certain size class of trees that these surveyors had been trained to recognize. At each tree, they would put in a nail designating the size class of that tree. At the end of the exercise, one counted the remaining number of nails and arrived at a complete inventory of how many trees of each size class were in the forest. On the basis of assumptions about rates of maturity and growth, one could then divide up the forest into a set of subterritories that were exploitable year by year and, as much as possible, even out the amount of wood that could be taken. There was no way of quite controlling the market price for wood, but at least the amount of wood, assuming constant prices, would be roughly the same from year to year.

There were also other efforts to determine exactly how much commercial wood was in a tree of a given size class. In a series of experiments, they would take one such tree, cut it up into tiny pieces, and compress it into cubes so that it could be measured to get the exact volume of wood. Or they would throw the wood into in large bins filled with water; based on the amount of water that was displaced, they could determine the exact volume of wood in one of these trees. The achievements of German forestry science in standardizing techniques to calculate sustainable yield of commercial timber were very impressive in this respect.

What is decisive for our purposes is the next logical step in forest management. That was to create, through careful seeding, planting, and cutting, a forest that was easier for state foresters to count, manipulate, measure, and assess. The fact is that forest science and geometry, backed by the state, had the capacity to transform the disorderly and chaotic real forest into a forest more closely resembling the administrative grid of its techniques. Thus the underbrush was cleared, a number of plant species were reduced, often to monoculture, planting was done simultaneously and in straight rows for large tracts. They went some distance toward creating a "normal" forest and a *Normalbaum* in these forests.

The creation of a simplified, legible forest was only the imminent logic of its techniques. It was not and could not ever be realized in practice, because both nature and the human factor intervened. The existing topography, the vagaries of fire, storms, blights, climatic changes,

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insect populations, and disease obviously conspired to thwart foresters in their efforts to shape the actual forest. Also not insignificant were the insurmountable difficulties of policing large forests; for 250 years the most popular crime in England was poaching. And by popular, I mean in both senses of the word: most common and most beloved. Given the difficulties of policing large forests, therefore, adjacent human populations also typically continued to graze animals, poach firewood and kindling, make charcoal, and generally make use of the forest in ways that thwarted the realization of forest management plans.

The administrator's forest cannot be the naturalist's forest. Even if all the ecological interactions at play in the forest were known, they would constitute a reality so complex and variegated as to defy shorthand description. The intellectual filter necessary to reduce this complexity to manageable dimensions was provided in this case by the state's interest in commercial timber and in revenue. You could say that the natural world—or as I will go on to argue, the social world—is simply too unwieldy and too complex in its raw form for direct administrative manipulation. That is, in its natural or social context reality is bureaucratically indigestible without this abstraction. I now propose to apply the forestry metaphor to land tenure, by giving a hypothetical description of customary forms of land tenure. Though hypothetical, however, this description is realistic; that is, I have read about or actually seen all of the practices I am about to describe.

Let us imagine a community in which families have user rights to parcels of cropland during the main growing season. Only certain crops may be planted, and every seven years use rights are redistributed among families according to family size and the number of able-bodied adults. In the closed corporate communities of Russia, Java, portions of Central America, and Vietnam, this was common. After the harvest of the main season crop, all cropland reverts to commons, such that any family may glean, graze its fowl and livestock, and even plant quick-maturing dry-season crops. Edible wild plants growing on the margins of fields or along water courses are available to be gathered. Trees known to have been planted, together with their fruit, are the property of the family that planted them, not the property of the people on whose land they happen now to be located. Fruit fallen from such trees, however, may be gathered by anyone. When a family fells one of its trees or when it is felled by wind, the trunk belongs to the family, the branches to the immediate neighbors, and the tops, twigs, fronds, and leaves to any poor villager who carries them off. Certain plots of land are designated for use or lease by widows with children or by depen-

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dents of conscripted males. Use rights to land can be let to anyone in the village, but only if no one in the village wants to take it can it be let to anyone outside the village.

Let us also imagine that fishing rights are distributed so that anyone may fish by net or by hook and line from canals and streams. In flooded fields, however, while anyone may fish with a hook and line for small fish, the larger fish, taken usually when the field is drained (with wet rice, for example), belong to the owner of the crop growing in the field. I could easily elaborate on what happens to land rights and to the distribution of crops and their proceeds. That, however, is not necessary. I could also make this description more elaborate because it is, in itself, a simplification. I also distort by describing these practices as if they were laws, when in fact they are a living, negotiated tissue of practices that is never static, and that is constantly changing according to new ecological and social circumstances, including, I must add, power relations.

Imagine a written system of positive law that attempted to represent this complex skein of property relations and land tenure; that is, imagine a state that wanted to respect customary forms of tenure by codifying them and representing them in positive law. The mind fairly boggles at the number of clauses and subclauses and sub-subclauses that would be required to represent these practices. In principle, if they could be codified, the result would necessarily sacrifice much of the plasticity and subtle adaptability of practice; it would freeze a living process. Moreover, changes in the positive code from time to time to reflect evolving practice would, at best, represent a very jerky mechanical adaptation. And what of the next village? After this imaginary code giver had finished representing customary land tenure in village A, he or she would have to start from nearly zero in village B because it would have different ecological conditions, a different cropping history, a different social structure, and so on. No matter how devilishly clever, meticulous, and respectful of customary law such a state was, it simply could not represent each village with its own particular ecology, history, cropping patterns, kinship alignments, and economic activity. It would require a different set of regulations, a different positive code for each village, making for at least as many legal codes as there were communities.

Administratively, of course, this is a nightmare. But notice whose nightmare it is—certainly *not* that of the people whose particular customs are being represented. Local practice in land tenure is completely comprehensible to the inhabitants who live with it day in, day out. Its details may often be contested and far from satisfactory to all of its local

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practitioners, but there is no doubting its familiarity. They know its subtleties and while they may dislike it, they know how to manipulate it for their own purposes as well. The nightmare in question, then, is that of the state officials who want a uniform administrative grid of land tenure that will represent the situation in a whole region or for that matter in a whole nation. The very concept of the modern state is hardly conceivable without a vastly simplified and uniform property regime that is legible and hence manipulable from the center. And, of course, a major driving force behind this legibility is the question of taxes.

The next step for all modern states is, of course, to measure, codify, and simplify land tenure in much the same way that scientific forestry reconceived the forest, since the state cannot begin to incorporate the luxuriant variety of customary land tenure. The historic solution, for the liberal state anyway, has been the heroic simplification of individual freehold tenure. Land is owned by a legal individual who disposes of wide powers of use, inheritance, or sale and whose ownership is represented by a uniform title deed, enforced through the judicial and police institutions of the state. Just as the flora of the forest are reduced to *Normalbäume*, so were the complex tenure arrangements of customary practice reduced to freehold transferable title. In an agrarian setting, the administrative landscape was blanketed with a uniform grid of homogenous land, each parcel of which had a legal person as owner, hence, taxpayer. The modern land register and its tax roll were thus the equivalent for land tenure of the scientific forester's table of timber growth and yield. A central consequence of its imposition was that it radically devalued local knowledge and autonomy, and this specialized knowledge, backed by state authority, changed the balance of power between the locality and the state.

Again, like the forest, land tenure never quite measured up to the utopia envisioned by the people who did the settlement reports and the taxation maps and who issued title deeds, because a whole series of practices, including resistance, went on in spite of what the paperwork said. One of the important things about the modern state is that most of its officials are of necessity usually at least one step, and often several steps, removed from direct contact with the reality and the citizens they administer. They observe and assess the life of their society by a series of simplifications and shorthand fictions that are always some distance from the full reality these abstractions are meant to capture. The functionary of any large organization actually sees the human activity of interest to him or her largely through the simplified approximation of documents and statistics and tax proceeds.

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The simplified facts of the administrator are necessarily of a certain type—static—even when they are a series of facts that give a time sequence of different observations. A series of individual, static facts can never tell you what happened between observation A and observation B; that is, a straight line drawn between the two observations is not necessarily an accurate representation of events. The facts have to be standardized, because if they are not they cannot be aggregated and assembled in a way that allows for an overall view. The facts also have to be stylized to simplify a reality out there. Thus, if the objective is to divide the population into the employed and the unemployed, then one must simplify a whole series of intermediate statuses that represent the real life of the many thousands who are unemployed or employed in complicated ways that defy easy categorization; they must be sorted into one bin or the other because the exercise requires that the population be divided into these categories. The people who actually make the assignments to these categories know the fictional and arbitrary quality underlying each of these decisions and know that they hide a wealth of problematic variation.

Once these categories are established, of course, they operate ineluctably as if all cases classified together are, in fact, homogenous and uniform. All *Normalbäume* in a given size range are exactly the same for the purposes of statistical manipulation. All auto workers, if we are classifying by industry, are the same. All Catholics, if we are classifying by religious faith, are the same. Students of bureaucratic behavior understand that central coordinating schemes do their work most effectively under conditions where the task environment is known and unchanging, and where it can be treated as a closed system. What I want to argue about state simplification is that the modern state, through its official attempts and with varying success, creates a population with those standardized characteristics because it will be easier to monitor, count, assess, and manage. That is a little bolder than I would like to state it and it misses the fact that these efforts fall enormously short. However, I think there is an effort by officials either to transform or to represent as transformed the population, space, and nature under their jurisdiction into a closed system, without the surprises that frustrate their ability to control and observe it. This often provides for some enormous surprises when things do not work out as well.

The important thing about the state in this context is that it in particular has the capacity to make its categories and simplifications stick because it can insist on treating people according to its categories. If you want to defend your claim to real property, you are normally

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obliged to defend it with a property deed and in the courts and tribunals created for that purpose. If you wish any standing in law, you must have the documents—the birth certificate, passport, identity card, and so on—that officials accept as proof of citizenship. The categories used by state agents are not merely a means to make their environment more legible, they are also an authoritative tune to which the population has to dance, at least some of the time.

If I had more time, I would make the argument that these simplifications become deadly in combination with other factors. One of the most important of these is an ideology of high modernism, that is, the nineteenth-century worldview, with its supreme self-confidence about the inevitability of linear progress, the development of scientific and technical knowledge, the expansion of production, and, most important, the rational design of the social order, the growing satisfaction of human needs, and, not least, an increasing control over nature, including human nature (also including eugenics, commensurate with scientific understanding of natural laws). It seems to me that high modernism at its flood tide is an ideology that requires an enormously powerful state—it has obviously and straightforwardly authoritarian aspects to it. According to high modernism, there is only one answer to almost any social problem, and that is determined by the technicians, engineers, and social analysts who see these things correctly according to the laws they have devised. When state simplifications are married to high modernist plans for the transformation of human life and its improvement, and when these plans are imposed on a society that is weakened by revolution or war—so that it is relatively prostrate and easy to push around—then you have, I think, a recipe for the worst disasters of high modernist planners.

In conclusion, the parallel I would draw is between how states simplify the societies they govern and how scholars simplify the societies they study. Both types of simplications may well be necessary, but one must never forget they may also have profoundly negative consequences. I personally have never been able to think my way through a fourth-order extraction or simplification without embedding it in a concrete case. I just cannot understand fourth-order extractions; once there are four or five of them simultaneously in the air, I am essentially lost because I have no empirical reference. I have never been able to understand abstract concepts unless I can run them through something that I understand well. For this reason I find the anthropologists' approach terribly important, certainly as a technique, if not as a theory: they have a field site where they spend a lot of time, observing and co-

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piously recording as if they were a camera, as if they were stupid and naïve. When I was doing my dissertation, I had a colleague who was influenced by Gabriel Almond. He was applying Almond's scheme to Malaysia, and was conducting a standardized survey. This scholar was *enormously subtle, widely read, and clever. He would tell me things* about Malaysian society that he had picked up on the bus or observed in this little village, but when it came time to write his dissertation, all these things that he knew and had taught me no longer seemed relevant. At that point, he saw Malaysia only through the instruments of his survey. The great thing about anthropology, by contrast, is that you are at work from the moment you open your eyes in the morning until you close them at night; everything is grist for the mill. So it may often be fine to have instruments that will measure carefully, but if you see the world only through your instruments, then it is likely to be a world that is hard to broaden and that may very well be poverty stricken. These instruments define the conclusions you can reach.

Now for that maxim, although I'm against maxims in principle because they have a habit of hardening into doctrines: If half of your reading is not *outside* the confines of political science, you are risking extinction along with the rest of the subspecies. Most of the notable innovations in the discipline have come in the form of insights, perspectives, concepts, and paradigms originating elsewhere. Reading exclusively within the discipline is to risk reproducing orthodoxies or, at the very least, absorbing innovations far from the source. We would do well to emulate the hybrid vigor of the plant and animal breeding world.

Theda Skocpol

For my contribution to this symposium, I draw on my 1994 essay "Reflections on Recent Scholarship about Social Revolutions and How to Study them," which I wrote as I revisited the field of the comparative study of revolution.[25] It really was a revisiting because I had not done more than an occasional piece in that area since the publication of *States and Social Revolutions* (*SSR*) in 1979.[26] I used the occasion of gathering together various of my own essays written before and after *SSR* as an opportunity to review the other literature that has accumulated since

[25] Conclusion to Theda Skocpol, *Social Revolutions in the Modern World* (Cambridge and New York: Cambridge University Press, 1994).

[26] Theda Skocpol, *States and Social Revolutions: A Comparative Analysis of France, Russia, and China* (Cambridge and New York: Cambridge University Press, 1979).

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the mid-1970s in the comparative study of modern social revolution. I was interested in how recent scholarship built upon or went beyond what I was trying to argue in 1979, and I reentered the—at times feisty—dialogue with critics of my work. These critics, writing from a number of perspectives—Marxist, rational choice, and what I would call interpretive historical—have disagreed with more than the particular arguments made in *SSR*. They have also taken issue with the entire strategy of analysis that I call macroanalytic comparative history.

As I see it, comparative politics people, including comparative political sociologists, should *compare*—a startling idea!—and not simply study places in the world that are not America. Moreover, the purpose of comparison should be partly to explore and test hypotheses from a variety of theoretical perspectives and partly to notice and hypothesize about new causal regularities. This kind of approach, which I call macroanalytic comparative history, can be very fruitful when applied, either by single scholars or by communities of scholars, to understanding substantively pressing issues, such as patterns of democratization, the causes and outcomes of social revolutions, and the origins of national systems of social provision or the challenges they have faced in the postwar period. The substantive concerns of communities of analysts can be quite varied, but the approach that I am proposing and that I illustrate in the comparative revolutions field can be powerful and fruitful for individuals and communities of scholars.

In retrospect I think it is fair to say that *SSR* was an agenda-setting book, on several counts, not because everybody simply agreed and that was the end of it, but rather, in a much more interesting way. Some people chose to argue with it and develop new theoretical and methodological approaches in a self-conscious dialogue or in disagreement with my arguments. Other scholars picked up the methodological approach of comparative macroanalysis. Almost everyone who took up the study of revolutions after *SSR* did things that almost no one had done before it: they put the state as a set of administrative and coercive organizations at the center of analysis; and they looked in depth at various historical cases.

When I look back, I am struck by the extent and richness of the historical and comparative historical work on the causes of modern social revolutions. Most of that work has moved on to study Third World nations in the mid-twentieth century; and some of it is now looking at situations like Eastern Europe after 1989. Some of the work consists of in-depth, single-case studies that are theoretically informed. But quite a bit involves juxtaposing and comparing two or more countries, much

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as I did in *SSR*. In my opinion, there have been two studies about the causes of social revolutionary transformations in Third World nations in the mid-twentieth century that are blockbusters. Both are full comparative macroanalyses of both positive and negative cases (cases where revolutions happened and cases where they did not); these books are Timothy Wickham-Crowley's *Guerrillas and Revolution in Latin America* and Jeff Goodwin's *State and Revolution in the Third World.*[27] There is not sufficient space here to elaborate on the designs and findings of these studies, but they are well worth looking at; they show the fruitfulness of the macroanalytic approach to comparative politics that *SSR* helped to launch.

The comparative historical macroanalytic work of the last fifteen or so years about the causes of social revolutions from the 1800s forward has provided us with a lot of solid knowledge. The research comes from a series of studies that built upon each other's insights and methods. We now know that democratic regimes are not particularly susceptible to revolutionary challenge. We know that certain authoritarian regimes are not likely to be susceptible either to strong revolutionary challenge or to actual displacements of rulers. We have a good idea of the particular kinds of authoritarian regimes and circumstances in which revolutions have actually succeeded—ranging from certain kinds of agrarian bureaucratic monarchies to patrimonial dictatorships to directly (as opposed to indirectly) ruled colonies. We also know quite a lot about which kinds of international pressures and disruptions contribute to the weakening of regimes or to the strengthening of revolutionary constellations. We know less about exactly what sets of forces shape revolutionary outcomes; but we do know something about the circumstances that promote centralization, authoritarianism, and often military coups in almost all revolutionized regimes.

In turning now to more theoretical and methodological matters, the main purpose here, I should like to focus on challenges that have been posed to the macroanalytic approach, to whose value for the field of the comparative study of revolutions I have already alluded. I deliberately referred to substantive achievements before considering methodological challenges, because comparative historical macroanalysis deals with complex and varying causal patterns. One cannot simply develop a general model and go out and apply it universally, in place after place.

[27] Wickham-Crowley, *Guerrillas and Revolution in Latin America: A Comparative Study of Insurgents and Regimes since 1956* (Princeton: Princeton University Press, 1992); and Goodwin, *State and Revolution in the Third World: A Comparative Analysis* (Berkeley and Los Angeles: University of California Press, forthcoming).

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Comparative history is therefore vulnerable to the accusation that it is not theoretical enough. From another point of view, however, this approach involves comparisons across contexts that historians often consider to be unique. So comparative history can also be challenged on the grounds that it does violence to the richness and uniqueness of each case. Both types of challenges were leveled at *SSR* . The only appropriate answer to these polar-opposite objections is to show that important theoretical, causal questions are being asked by those doing comparative macroanalysis, questions about substantive processes in the world. The best response is to show, substantively, that there has been progress in developing answers to those questions.

The analytical challenges to *SSR* and other, similar books are of interest not only for people who care about the causes and outcomes of revolutions. The same sorts of challenges appear in many other literatures about other substantive matters. That is why it is worthwhile in a symposium like this to discuss these challenges.

I shall be brief about the first theoretical-methodological challenge directed against *SSR*, because I am not sure how many people are likely to take this challenge seriously. A few years ago Michael Burawoy, a Marxist sociologist at Berkeley, leveled a broadside against *SSR*.[28] Burawoy asserted that *SSR* and all comparative analytic work of its type are inherently flawed because they do not start from a fixed set of theoretical premises. According to Burawoy, Marxist theory has been the most powerful for understanding revolutionary situations; he values the theory, moreover, because it involves a commitment on the part of the scholar to promote revolution as well as to understand it. Burawoy criticized *SSR* for "abandoning" any commitment to Marxist theory. He holds that rather than using Marxist theory as a source of empirically refutable hypotheses, it is better to operate within Marxist theory, bringing historical cases to bear on it for the sole purpose of enriching that theoretical tradition.

Now, even if the audience of this journal were to reject such an argument coming from a Marxist-Trotskyist perspective, in fact the same sort of argument could actually be made from other kinds of theoretical perspectives, such as the rational choice perspective. Burawoy further criticizes comparative analysts such as myself for apparently reasoning by empirical induction rather than by theoretical deduction and thereby smuggling in an entire untestable set of theoretical propositions. We do this, he believes, through our selection of cases and hypotheses.

[28] Michael Burawoy, "Two Methods in Search of Science: Skocpol versus Trotsky," *Theory and Society* 18 (1989).

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I do not have the space here to elaborate on either the details of these accusations or on my responses to them in the "Reflections" essay.[29] If the standard is Trotsky versus Skocpol, then the kinds of comparisons that I made in *SSR*—particularly the comparison between 1905 and 1917 in Russia—help explain why a purely working-class-based theory of revolution is simply not going to be able to predict when or where a revolution will succeed. Marxist theory, along with other theories, should be a source of hypotheses for comparative historical explorations; but if the hypotheses do not accord with the comparative evidence, so be it. Comparative history not only refines assumed theoretical traditions; it can also suggest new hypotheses and combine hypotheses from old perspectives in a far more powerful way than can the essentially dogmatic approach advocated by Burawoy.

Let me now move on to a second challenge, which is more pertinent to a symposium on comparative politics, because it was issued by a rational choice theorist, Michael Hechter (in conjunction with a collaborator, Edgar Kiser).[30] Although a sociologist, Hechter speaks for a perspective that has a much more substantial presence in political science than it does in sociology. He and Kiser argue that theorizing is not "scientific" unless one can offer a general model and deduce in a logical way hypotheses that in a sense cover the patterns one is pointing to through historical or inductive historical description. Their essay trumpets the value of model building, as opposed to what they argue is the arbitrary approach of comparative history. They suggest that comparative history is really just old-fashioned history, with fuzzy concepts and analysis tailored to particular cases.

After pages of this, you expect the authors finally to tell you how their general theory—rational choice theory, based on microfoundations—can explain revolutions better than *SSR* or the work that has flowed from it. But just at the point in the essay where Kiser and Hechter would have to deliver the goods, they change the subject! Instead of offering any general, cover-law explanation of revolutions, they make a brief allusion to the work of Michael Taylor.

I ran off to the library to get Taylor's essays, in search of the general theoretical explanation based on microfoundations.[31] What I discovered were lengthy essays containing thoughtful comments on how one

[29] Skocpol (fn. 25).

[30] Kiser and Hechter, "The Role of General Theory in Comparative Historical Sociology," *American Journal of Sociology* 97, no. 1 (1991).

[31] See Michael Taylor, ed., *Rationality and Revolution* (Cambridge: Cambridge University Press, 1988); and idem, "Structure, Culture, and Action in the Explanation of Social Change," *Politics and Society* 17, no. 2 (1989).

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might reconstruct in rational choice terms that part of *SSR* focusing on peasant communities and how they rebelled during the French and Russian Revolutions. Taylor offers some convincing speculation (because, of course, we really do not know what those Russian and French peasants were thinking back in 1789 and 1917) about how peasants could have overcome obstacles to collective action through network ties and institutions—very much the sorts of relationships that I had discussed in my analysis. Why, he asks, would supposedly self-seeking rational individuals have engaged in the inherently risky business of rebelling against state authority? Taylor is very careful to say that he is reconstructing the arguments in *SSR*, and in no way contradicting them. And indeed, he presumed the entire analysis in my book about the breakdown of state power that made the peasant community rebellions possible. In short, Taylor's analysis is partly a gloss on mine and partly a complement to it.

This type of interaction between scholarly argument is not so different from what I have seen in some other literatures, where there is a dialogue between rational choice theorists and historical institutionalists or comparative political sociologists. So that is exactly where we are in the rational choice contributions to the study of comparative revolutions—and frankly, also in rational choice contributions to the study of many other macroscopic processes that might interest us. There have been intelligent commentaries linking individual-level processes with macroscopic conflicts and institutional processes. What rational choice theorists have not done, however, is to create successful general theories of phenomena such as revolutions or democratization or the rise of authoritarian regimes. Hechter and others are all promise and no delivery on this score. And it seems unlikely that microlevel models will ever completely displace historical-institutional analyses of macroscopic patterns of political conflict and social change.

The final challenge to the macroanalytic approach embedded in *SSR* and subsequent work comes from the opposite direction. On the one hand, we have the rational choice analysts like Kiser and Hechter who feel that comparative historical work is simply a return to old-fashioned totally unscientific history. On the other hand, we have critics like the historian William Sewell, Jr., who believe that comparative historical work is equivalent to experimental science, a total violation of all that is sacred in historical work. What would they have to say to one another, and why am I caught in the middle?!

Prior to writing the critique I focus on here, Sewell had criticized *SSR*

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over the question of the role of ideology and culture in the understanding of revolutions.[32] He is now revisiting my book to criticize its methodology.[33] Arguing for what he labels "eventful" historical sociology, Sewell advocates interpretation of particular historical processes and the tracing out of narratives of events, looking especially for events that are in some sense turning points in a narrative sequence. Outlining this overall approach to historical social inquiry is Sewell's basic goal; in the process, he reviews major books by Charles Tilly, Immanuel Wallerstein, and me.

Sewell approaches *SSR* with what I take to be a flattering uncertainty. Although he argues that it is a powerful book, he seems perplexed about why that is so, since it violates his own theoretical and methodological prescriptions for the social sciences. Sewell criticizes *SSR* along several, somewhat contradictory lines. He first echoes Burawoy's comment that *SSR* uses purely inductive methods, but he soon abandons this untenable position. The thrust of his attack is instead to say that *SSR* is deeply flawed because it uses comparisons to test and develop explanatory arguments. He likes the fact that *SSR* recounts narratives about the French, Russian, and Chinese Revolutions and considers those narratives to be quite powerful. He nevertheless argues that my decision to compare across those revolutions—and also to compare these cases with other instances of sociopolitical conflict where successful social revolutions did not occur—violates what he calls the unbreakable unity and the complexity of history. Sewell argues that all historical social scientists who do comparative work are falsely applying experimental logic to history, because the act of comparing necessarily takes particular sets of events out of context and juxtaposes them to one another, thereby breaking the flow of events across world historical time.

My answer to Sewell's charge that comparativists must "fracture" history is to admit that yes, we must—and so must he or anyone else who uses concepts and language to talk about history. The very use of the word "revolution," the very invocation of "French Revolution," is inescapably a fracturing of the flow and complexity of history. The use of such terms and concepts, including by Sewell himself, suggests that there is something we want to bundle together. "Revolution" implies similar configurations across times and places; and "French Revolution"

[32] The exchange between Sewell and me about culture and ideology in revolutions is reprinted in Skocpol (fn. 25), pt. 3.

[33] William Sewell, Jr., "Three Temporalities: Toward an Eventful Sociology," in Terrence J. McDonald, ed., *The Historic Turn in the Human Sciences* (Ann Arbor: University of Michigan Press, forthcoming).

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assembles happenings in French history that not all would agree should be discussed together.

So the mere charge of "fracturing" is hard to take seriously. Critics must move from a logical charge to the substance of social science history arguments; they need to explore which kinds of fracturing yield fruit and which ones do not. To make any kind of powerful critique, Sewell needs to do what he refuses to do in his methodological treatise; he needs to engage the substantive analysis advanced in *SSR*, as well as the many other powerful substantive analyses put forth by comparativists about revolutions and other macroscopic phenomena.

Those of us who do macroanalytic work in comparative politics must justify our selections and groupings of cases. We must show that we are dealing with sufficiently similar instances to make it possible to explore arguments about the phenomena in question, and we must attend to both similarities and differences across our range of cases. To the extent that all of us who practice macroanalytic comparative history do precisely this, our critics must deal with the substance of our arguments and not dismiss the operation logically. It is therefore incumbent upon Sewell to show that scholars who have made comparative studies of revolutions in the modern world have failed to generate powerful new arguments about their causes, processes, and outcomes. Not only does Sewell fail to take on this task, but he also seems blithely unaware of the best scholarship in the comparative-historical social sciences about revolutions or other macroscopic phenomena.

Finally, I find it ironic that Sewell appreciates the narrative aspects of *SSR* yet would discount the book's allegedly overly "scientific" comparisons. When I think back on how I developed the narrative parts of this book, I realize just how profoundly informed those narratives were by the concomitant comparative-causal analyses. I may not have explained this adequately when I originally talked about the methods used in *SSR*. Those of us who do comparative-historical social science often do not explain adequately how the methods we use for investigation and for presentation of results relate to narrative modes of presentation that are convincing to historians and other readers. Narratives are compelling. Children like stories. We all like stories. But narratives do not just spring forth naïvely. It was precisely the comparative analyses in *SSR* that made it possible for me to write the narratives of what happened during the revolutionary breakdowns and the reconstructions of the old regimes into the revolutionized new regimes in France, Russia, and China. If I had not had the comparative, causal analysis to high-

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light the importance of the breakdown of administrative and military state organizations and to highlight the contributions of peasant revolt, I would not have been able to select from the mass of events the kinds of things that I ended up highlighting in the narratives that Sewell likes so much. And if I had set out merely to write narratives, I could never have covered three major social revolutions and several other sociopolitical conflicts in one book.

So my second answer to Sewell is to say, if you like the narratives of *SSR*, you cannot have them without the comparative analysis. Good comparative analysis and powerful narratives go together; they are not separate enterprises. I think that the kind of purely interpretive narrative approach he is suggesting—if taken apart from an aspiration toward causal analysis, hypothesis testing, and the achievement of rigor through comparative analysis of positive and negative cases—will lead students and other scholars who practice "eventful" historical sociology into a hopeless muddle of descriptive accounts. Sewell's prescription may further anthropologically rich descriptive work in history, but it will not further efforts to explain the causes, process, and outcomes of revolutions and other important macroscopic transformations in the modern world. Yet this latter effort is what I take to be the brief of comparative politics and comparative political sociology.

This exploration of substantive research and theoretical developments in one area of comparative politics leads to conclusions that I should like to present in a summary fashion. For those of us who do comparative politics, it pays to compare. And it is not necessary to get hung up on grand model building and purely deductive theorizing, on the one hand, or on producing interpretively rich narratives of particular times and places, on the other. There is a middle way, comparative historical analysis, which allows us to notice patterns in history and generate better theoretical ideas from them. At the same time, we can use well-designed comparisons to explore and better specify hypotheses derived from whatever theories we have available as we launch into a given investigation.

This historical macroanalytic approach to comparative politics has flourished in quite a few substantive literatures beyond the one that I have talked about today. I feel certain that people will carry comparative macroanalysis into additional substantive areas, further developing analytically powerful, yet historically grounded arguments about regimes, social structures, and sociopolitical transformations in the modern world. Those of us who do comparative history in the social sciences

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have nothing to apologize for! We can take counsel from and cooperate with the model builders and the interpretivists. But we need not defer to either group.

Conclusion: Atul Kohli

The main concerns of the symposium were outlined in the introduction. While most of the invited participants addressed these concerns directly, a few were more implicit, choosing to focus instead on their ongoing research. Whether explicit or implicit, the responses of these leading scholars of comparative politics provide a rich array of views on the role of theory in comparative politics. What common conclusions, if any, emerge? Given that the diverse messages of each of the symposium participants are already presented in a relatively abbreviated form, it is not necessary to resummarize them. What follows instead is a brief discussion of three important themes that underline areas of agreement across a group of scholars representing a variety of approaches to the study of comparative politics.

The first strong conclusion—near consensus, I may add—that emerges is that comparative politics is very much a problem-driven field of study. What motivates the best comparative politics research are puzzles of real-world significance: Under what conditions do democracies emerge and stabilize? Why do revolutions occur? What is the role of different types of regimes in facilitating prosperity and equity? This problem orientation distinguishes comparative politics from other social science fields that tend to be driven primarily by theoretical and/or methodological ends. Of course, given the inevitable link between theory and data, these emphases are relative. Even in comparative politics, debates involving the claims of superiority of one "approach" over another are perennial. Such debates tend not to endure, however. Given a strong interest in real-world puzzles, comparative politics scholars tend to treat theories, approaches, and methods mainly as tools to help frame and explain empirical puzzles. This spirit is best captured above in Adam Przeworski's characterization of his own scholarly style as "opportunist"—using whatever works, whether game theory, history, or cultural deconstruction—or in Peter Katzenstein's suggestion that he is stimulated mainly by the "dependent variable" or by important problems requiring explanation.

A second theme on which there was a fair amount of agreement among symposium participants concerns the significance of causal generalizations. Given important problems that require explanation, com-

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parative politics scholars pursue causal analyses, hoping to discern relationships that hold across a variety of comparable cases. Though an old research norm, this approach has in recent years been challenged by those who hold that there are other, equally valid scholarly objectives for the study of "foreign cultures and societies": "thick description" of cultures, an empathetic understanding of the "other," and critical deconstruction of much-used conceptual categories. Some of these sensibilities are seeping into comparative politics. Nevertheless, the positions of the two symposium participants likely to be most sympathetic to these intellectual claims are notable: James Scott defines his current research interests as *why* development disasters occur; and Susanne Rudolph explicitly suggests that her interest in the "Foucaultian suggestion[s]" is "not about suspending comparison, generalization, and explanation."

If the problem orientation of the field tends to relegate the role of theory mainly to that of a tool of empirical research, the quest for causal generalizations, by contrast, moves its role to the forefront. This healthy tension, along with other scholarly preferences, inclines comparative politics scholars to pursue a variety of intellectual strategies aimed at generating theoretically significant scholarship. The last concluding theme thus concerns, not so much an area of agreement among symposium participants, as the variety of their preferences.

The attempts to generate theoretically relevant scholarship may have more of either a macro or a microfocus, and they may also vary along the dimension of deductive to inductive. Dichotomizing these dimensions and utilizing the conventional 2x2 matrix gives us four sets of theoretical tendencies that infuse comparative politics scholarship (see Figure 1). Most scholars of comparative politics reside in cell 2. This follows from observations already noted above, namely, that problems of interest to comparative scholars are often macro in nature (for example, democracy, revolutions, state performance) and that attempts to discover or examine causal explanations of such phenomena lead scholars to study one or more country cases.

Peter Evans eloquently captures the role of theory in such macro-inductive scholarship: theory helps frame empirical puzzles, and it generates plausible causal hypotheses that are worth examining. And one may add that inductive search for regularities generates additional new hypotheses. Theda Skocpol also strongly advocates something similar, an approach she labels "macroanalytical." In her contribution she goes further still, demonstrating how through such research knowledge accumulates over time.

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	Deductive	Inductive
Macro	1. structural functionalism Marxism	2. single or comparative case studies; political institutions and social groups as empirical foci
Micro	3. rational choice	4. anthropology-inspired local political studies; social structural or cultural foci

FIGURE 1
DIMENSIONS OF THEORETICAL SCHOLARSHIP

The macroinductive genre of scholarship, though practiced widely by scholars of comparative politics, is hardly without detractors. Among the symposium participants, both James Scott and Susanne Rudolph register their skepticism of such research, indicating their preference for scholarship that would instead reside in cell 4. Adam Przeworski also warns comparativists that some of their standard methods may be biased and urges the use of counterfactuals and thus of a priori theorizing as an intellectual strategy to deal with such problems.

Deductive, a priori theorizing would, of course, be the refrain of scholars who operate within strongly defined paradigms. Over the years comparative politics has witnessed the rise and decline of several such intellectual movements. During the 1950s and the 1960s proponents of both structural functionalism and Marxism (cell 1) competed for a paradigmatic status. More recently, those who adhere to a rational choice approach (cell 3) have similarly made claims for the superiority of their approach. The symposium participants, however, are not persuaded. While they all welcome new hypotheses that emerge from deductive frameworks, they also resist their all-encompassing claims: both Peter Evans and Peter Katzenstein worry about the problem of "aggregation" in the rational choice approach, the former arguing that aggregating numerous microinsights is not the most "efficient" intellectual strategy for generating macro generalizations; Adam Przeworski, a practitioner of the rational choice approach, implicitly suggests that he treats it as one set of tools among others for researching important problems; both Susanne Rudolph and James Scott distrust frameworks that provide overly abstract or overly homogenous accounts of different cultures and

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people; and Theda Skocpol views recent contributions of rational choice theorists to comparative politics as mainly building on existing accounts rather than offering novel insights. An important recent essay echoes and systematizes many of these criticisms of the rational choice approach, suggesting that, by claiming too much, this deductive approach has developed many of the same problems encountered by earlier deductive intellectual movements.[34]

To sum up, this symposium was designed to take stock of the role of theory and of theoretical controversies in comparative politics. A variety of views were expressed. An important and surprising conclusion emerged, however—that contemporary theoretical controversies are not deeply divisive. In spite of the challenges thrown out by both rational choice and postmodern cultural approaches, a diverse group of symposium participants adhered to a loosely defined "core," or to what one participant characterized as the "eclectic center" of comparative politics. The minimal definition of this "core" includes a problem orientation and a commitment to causal generalizations. Beyond that, a variety of theoretical approaches is considered desirable. Nevertheless, even on this score, while microinductive approaches and deductive frames of reference provide important complements, most comparative politics scholars in this eclectic center pursue theoretically relevant, macroempirical analyses, focusing on one or more countries, through diverse conceptual lenses, and utilizing a variety of data, contemporary or historical, quantitative or qualitative.

[34] See Neil J. Smelser, "The Rational Choice Perspective: A Theoretical Assessment," *Rationality and Society* 4 (October 1992).

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FEDERALISM, CHINESE STYLE
The Political Basis for Economic Success in China

By GABRIELLA MONTINOLA, YINGYI QIAN, and BARRY R. WEINGAST*

I. INTRODUCTION

THE remarkable success of China's economic reforms—fostering economic growth averaging 9 percent per year over the past fifteen years—seems to defy conventional wisdom. Consider the following:

—Economic reform appears to have been successfully pursued without any political reform.

—The central government seems to retain considerable political discretion, including the ability to reverse suddenly the reform process or to impose onerous exactions on successful enterprises.

—Finally, there have been few attempts to provide the central feature of private markets, a system of secure private-property rights. Nor has an attempt been made to develop a commercial law (for example, property and contract law) or an independent court system for adjudication.

Each of these factors bodes ill for economic reform. Without political reform, economic returns remain at the mercy of political predation. Political discretion, in turn, implies that there are no impediments to the government reversing the reforms. In this context, leadership turnover would allow the new government not only to reverse the reforms, but also to confiscate considerable wealth and to punish those who were successful under the reforms. Alternatively, problems may

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occur during unexpectedly hard times. With severe budget problems and a population clamoring for "solutions, now," the immediate need for revenue produces powerful pressure for a partial or wholesale reversal of the reforms. This type of discretion typically kills the prospects of any reform program.[1] Because economic agents know in advance that political discretion affords no protection for their economic success, they are unlikely to put their effort and wealth into undertakings that put them at risk, and hence the reforms will fail. These problems are seemingly further exacerbated in China by the lack of a system of private-property rights—a clear, necessary condition for a successful market system. All these factors point toward poor performance for Chinese economic reform.

The actual performance of the Chinese reforms provides a striking contrast to these expectations. Over the past fifteen years, China's performance potentially parallels that of the other high-growth East Asian economies. The juxtaposition of the conventional wisdom with experience demands an explanation.

The purpose of this paper is to provide such an explanation. We argue that the problem with the conventional wisdom is severalfold. First, it provides too narrow a definition of political reform. Second, although it asks the right question about political discretion, the inappropriate definition of political reform leads it to the wrong conclusion. Third, though much is wrong with the system of property rights in China, looking for a system of such rights as exists in the West has confused many analysts. Rights are not as secure in China as they could be, and the absence of a law of property and contracts along with a judicial system to enforce it remains a significant lacuna in the reform process. Yet, property rights are not completely insecure and without political foundation. Indeed, political reform in China has placed considerable limits on the discretion of the central government. These limits, in turn, provide the beginnings of a strong and credible political foundation for many market-oriented enterprises throughout the successful regions of China.

To understand the basis for these claims, we begin with the notion

[1] See Ronald I. McKinnon, "Financial Control in the Transition from Classical Socialism to a Market Economy," *Journal of Economic Perspectives* 5, (1991); Douglass C. North, *Structure and Change in Economic History* (New York: Cambridge University Press, 1981); idem, *Institutions, Institutional Change, and Economic Performance* (New York: Cambridge University Press, 1990); Hilton Root, "The Environment for Investment: Institutional Reform for a Market Economy," Country Report, no. 11 (Iris Center, University of Maryland, 1993); Barry R. Weingast, "The Economic Role of Political Institutions: Market-Preserving Federalism and Economic Growth," *Journal of Law, Economics, and Organization* 11 (Spring 1995).

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of political reform. In the common parlance, political reform focuses on democratization and, hence, the separation of the Chinese Communist Party (CCP) from the state.[2] On this important component of reform, China has made little progress. Nearly all the formal aspects of democracy are absent, notably, individual rights of free speech and political participation, a viable system of competition for political office, and a set of constitutional limits on the state. As democracy is one of the central aspects of political freedom, China's record speaks for itself.

Yet, democratization does not encompass all aspects of political reform. So what has changed? We emphasize three principal factors. First, not only has political decentralization enhanced the powers of local government, but it has also altered central-local government relations in several critical ways that are difficult, though not impossible, to reverse.[3] Second, a major shift in ideology underpins the reforms, with the CCP moving from a dogmatic emphasis on the Maoist version of Marxism-Leninism to a pragmatic, market-oriented approach. Although the rhetoric of socialism has been retained (for example, the recent emphasis on the "socialist market economy"), the staunch antimarket, anti-private initiative, anti-private gain focus has been removed. Third, China has for the first time under the communists opened its economy.

In our view, these changes have resulted in a new political system that we characterize as *federalism, Chinese style*. This system, in turn, provides considerable political protection for China's reforms, including limits on the central government. Viewed from the perspective of the individual, this system differs considerably from federalisms in the developed West.[4] Viewed from the perspective of the political relationships among the different levels of government, China's political decentralization shares much in common with Western federalisms. The modern Chinese system includes a division of authority between the central and local governments. The latter have primary control over

[2] Katherine Hartford, "Socialist Agriculture Is Dead; Long Live Socialist Agriculture! Organizational Transformation in China," in E. Perry and C. Wong, eds., *The Political Economy of Reform in Post-Mao China* (Cambridge: Council on East Asian Studies/Harvard University, 1985); T. Saich, "Much Ado about Nothing: Party Reform in the 1980s," in Gordon White, ed., *The Chinese State in the Era of Economic Reform* (London: Macmillan Professional and Academic, 1991).

[3] Susan L. Shirk, *The Political Logic of Economic Reform in China* (Berkeley and Los Angeles: University of California Press, 1993).

[4] Federalism in the West is nearly always associated with political freedom and the protection of individual rights. See Weingast (fn. 1) for details of these federalisms, including a discussion of how federalism provided the important political foundations for the impressive growth of England in the eighteenth century and the United States in the nineteenth century.

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economic matters within their jurisdictions. Critically, there is an important degree of political durability built into the system.

As we argue, the Chinese system provides a partial basis for a special kind of federalism called *market-preserving federalism*.[5] Central to the success of market-preserving federalism is the element of political durability built into the arrangements, meaning that the decentralization of power is not merely at the discretion of the central political authorities. And here, conventional wisdom's focus on the relationship between the national government and the individual results in erroneous judgments, for this focus ignores the relationship between the central authorities and the provincial and lower governments. The latter relationships have not only changed dramatically, but have done so in ways that are difficult to undo. They thus provide a degree of commitment.

Nonetheless, the new economy is not without its limitations. An understanding of how China's current system differs from a more complete system of market-preserving federalism provides some guide to both its current problems and solutions to them. First, China lacks an adequate mechanism for policing the internal common market. This absence explains in part why many local governments have focused on trade barriers and aggressive antimarket policies within their jurisdiction. Second, political decentralization has yet to be institutionalized to ensure its long-term stability. A third problem is the absence of private-property rights and a commercial law, as many have noted. These limitations should not be seen as economically debilitating; rather they should be seen as problems that need to be addressed in the near future.

This paper proceeds as follows. The next section discusses the theory of federalism and is divided into two parts. The first examines the necessary political foundations of market-preserving federalism, while the second examines the economic consequences of federalism. Sections III and IV turn to federalism, Chinese style, paralleling the two parts of Section II. Section III discusses whether and how the conditions of market-preserving federalism hold in China. Section IV reveals the remarkable parallel between the predicted effects of market-preserving federalism and China's decentralization. This approach also helps order the seemingly chaotic variety of behavior in the different provinces and localities. Much of this variation, especially the trends in

[5] Weingast (fn. 1); see also Ronald I. McKinnon, "Market-Preserving Fiscal Federalism" (Working paper, Department of Economics, Stanford University, 1994).

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behavior, policy, and economic outcomes, is as predicted by the theory of federalism. Several imperfections of the system are also noted. Our conclusions follow in Section V.

II. The Theory of Market-Preserving Federalism

Political Foundations of Market-Preserving Federalism

A fundamental dilemma faces a government attempting to build and protect markets: it must not only be strong enough to enforce the legal rights and rules necessary to maintain the economy, but it must also be strong enough to commit itself credibly to honoring such rules.[6] In the absence of credible limits on governmental behavior, nothing prevents the government from taking away wealth from the citizens for its own purposes. This behavior may take many forms: an outright confiscation of wealth, onerous taxation, or inflationary financing by printing money. The absence of a credible commitment, in turn, adversely affects the "positive incentives" of economic agents. Because rational actors understand that this political environment reduces their economic benefits *ex post*, they will withhold their efforts, investments, and information *ex ante*, thus jeopardizing economic growth.

Another form of the lack of commitment can be seen in a government that is unable to impose a "hard budget constraint" on itself and other economic agents.[7] In this case, the government continues to bail out or subsidize troubled institutions and agents.[8] Lack of commitment fails to provide "negative incentives" to economic institutions and agents, who rationally distort their efforts, typically leading to wasteful investment and low productivity. Put simply, the soft budget constraint eliminates the need for sensible planning, since mistakes are not costly to the decision makers.[9]

Reputation is often held as an important mechanism to achieve credible commitment, but it alone is hardly sufficient. Political institutions are also necessary because, in the appropriate form, they provide for a balance of power that can make commitment credible.[10] One set of po-

[6] North (fn. 1); Weingast (fn. 1).

[7] Janos Kornai, *Economics of Shortage* (Amsterdam: North-Holland, 1980).

[8] Although the most pervasive forms of the soft budget constraint are observed in the centrally planned economy where the government controls nearly everything, the problem occurs in all modern economies. Indeed, the exploding savings-and-loan problem in the United States resulted from a version of this problem. So, too, is the rampant inflation typical of many Latin American regimes.

[9] McKinnon (fn. 5).

[10] Weingast (fn. 1).

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litical institutions that play this role are those surrounding federalism.

Understanding the implications of federalism requires a clear notion of how it is sustained, that is, of its political foundations. Most studies simply take federalism as an exogenously specified system, focusing on its effects. For the purposes of studying the consequences of federalism in the developed West (for example, in Switzerland or the United States), this often involves no great loss. For the purposes of implementing and perfecting a new system of federalism, however, an appreciation of its political foundations proves essential.

The fundamental feature of federalism is decentralization; however, not all systems of decentralization are federal. To understand federalism, we must identify its principal characteristics. As a special type of federalism, *market-preserving federalism* encompasses a set of conditions that governs the allocation of authorities and responsibilities among different levels of government:

> F1. A *hierarchy* of governments with a *delineated scope of authority* (for example, between the national and subnational governments) exists so that each government is autonomous within its own sphere of authority.
>
> F2. The subnational governments have primary *authority over the economy* within their jurisdictions.
>
> F3. The national government has the authority to police the *common market* and to ensure the mobility of goods and factors across subgovernment jurisdictions.
>
> F4. Revenue sharing among governments is limited and borrowing by governments is constrained so that all governments face *hard budget constraints.*
>
> F5. The allocation of authority and responsibility has an *institutionalized degree of durability* so that it cannot be altered by the national government either unilaterally or under the pressures from subnational governments.

These conditions represent an ideal type of institutional arrangement of a market-preserving federalism. The purpose of these institutions is, in part, to limit the degree to which a political system can encroach on markets.[11]

Condition 1 contains the defining characteristic of federalism. But formalized decentralization alone does not generate federalism's market-preserving qualities. These require the addition of conditions 2–5.

From the perspective of preserving market incentives, the authority of the national government over markets is limited to policing the common market across regions (condition 3) and providing national public goods, which should not be left to the subnational level governments (for example, monetary policy).

[11] McKinnon (fn. 5); Weingast (fn. 1).

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The institutional arrangements of federalism recognize a critical difference between the national government and the subnational governments: there is only one of the former but many of the latter. The natural limits on the discretionary authority of the subnational level governments are induced by competition among jurisdictions. But this competition is beneficial only if there are no trade barriers and the entire nation becomes a common market (condition 3). Without condition 3, each subnational government would become something of a de facto "national government" in its jurisdiction, and its discretionary authority over the economy again would limit its ability to make a credible commitment. Condition 2 thus enhances the effects of condition 3. If decentralization remained at the discretion of the national government, the latter could intervene in the economy first by using its discretion (in the absence of condition 2) to compromise the system of federalism and then to intervene.

The constraint of condition 4 has two parts, one for fiscal revenue transfers between levels of governments, and one for borrowing through the financial system. The hard budget constraint in the fiscal channel limits revenue sharing and equalization among governments, especially through soft grants. The hard budget constraint in the financial channel restricts open-ended access to capital markets, especially borrowing from the central bank. Condition 4 applies to both the national government and the subnational governments. A hard budget constraint for the latter is necessary because it directly ties local revenue to local economic prosperity. A local government's financial problems remain its own, providing important incentives for local officials to oversee and ensure their government's fiscal health. If, in contrast, local governments were readily bailed out of their financial problems, they would have considerably fewer incentives to worry about the consequences of their choices. The constraint on the national government is necessary in part because a soft budget constraint would allow it to use monetary discretion to get around the limits on its authority.

Condition 5 provides for credible commitment to the federal system and thus for limits on the national government's discretionary authority. Not only must there be decentralization, but that decentralization must not be under the discretionary control of the national government. Condition 5 addresses the enforcement problem and is critically important. It is also likely, however, that an individual country, due to its own unique history and complicated social conditions, may require a different arrangement.

Market-preserving federalism's balance of power between the na-

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tional and subnational governments is superior to either a complete centralization with a unitary government or a complete decentralization with each region an independent state. Under complete centralization or decentralization, the national government's authority is not limited through internal institutional arrangements; hence a potential danger exists for the discretionary authority to encroach on markets.

Before turning to the economic implications of market-preserving federalism, we pause to discuss the relationship between the conditions underlying market-preserving federalism and various systems of federalism throughout the world. Our approach shows that whether a nation calls itself federal—"de jure federalism"—is irrelevant.[12] What matters is whether the various conditions hold. Many de jure federalisms are nothing like market-preserving federalisms, for example, in Argentina, Brazil, and India. In these cases, conditions 2 and 5, and often condition 4, fail. The failure of conditions 2 and 5 implies that the political discretion and authority retained by the central government in these systems greatly compromises their market-preserving qualities. As discussed later in this section, these conditions are a necessary component of federalism's market-preserving qualities.

The contrast between market-preserving federalism and the decentralization of the former Soviet Union is also instructive. The Soviet system was characterized by administrative decentralization without authority. Lower governments were largely administrative units of the central government with little autonomous political power, let alone power over their local economies. The center also carefully controlled factor mobility. Hence, all but condition 1 failed in that system.[13]

In sum, though many forms of political decentralization exist, only a narrow subset is characterized by market-preserving federalism.

The Economic Effects of Market-Preserving Federalism

The most important implication of market-preserving federalism is the induced competition among jurisdictions,[14] which produces a number of salutary effects. First, no government has a monopoly of regulatory authority over the entire economy. Any subnational government that

[12] See Oliver Williamson, "The Institutions and Governance of Economic Development and Reform" (Working paper, University of California, Berkeley, 1994).

[13] In contrast, eighteenth-century England was characterized by market-preserving federalism, although the English did not call their system federal. See Weingast (fn. 1).

[14] This section summarizes an extensive literature in economics, including the classic work of Tiebout and Oates. For a review of this literature see Daniel Rubinfeld, "Economics of the Local Public Sector," in A. J. Auerbach and M. Feldstein, eds., *Handbook of Public Economics*, vol. 2, (New York: Elsevier, 1987).

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seeks to use its authority for purposes of monopolization or other political ends is at a considerable disadvantage because it cannot impose its will on the entire economy. When a particular jurisdiction imposes an onerous restriction on its firms, the latter face a competitive disadvantage relative to competing firms from other jurisdictions that are not bound by the restriction. Producers outside the particular jurisdiction are not bound by these rules, and, hence, their costs will be lower and they will outsell those firms bound by the restriction.

Second, competition among jurisdictions extends to factors of production, such as capital and labor. Jurisdictions are thus induced to provide a hospitable environment for factors, typically through the provision of local, public goods, such as establishing a basis for secure rights of factor owners, the provision of infrastructure, utilities, access to markets, and so on. Those jurisdictions that fail to provide these goods find that factors move to other jurisdictions. Local economic activity and tax revenue decline as a consequence.

Third, the hard budget constraint implies that local governments can go bankrupt. This provides them with incentives for proper fiscal management.[15] Local enterprises, local politicians, and citizens in particular areas hardly want their government to spend more money than is prudent. Bankruptcy would greatly hinder the ability of local governments to finance needed public goods, such as those needed to attract foreign capital and lower business costs.

Finally, market-preserving federalism provides the political foundations for markets.[16] By placing the authority over markets in the hands of lower governments, it fosters local economic prosperity. By keeping the central government out of this activity, it prevents massive intervention of political goals that distort markets for other purposes. Once established, markets are difficult to alter since national political forces are deflected from this issue and, at the local level, it is hard for a group with any particular goal to capture the lion's share of the local governments. In turn, the implication is that some governments are always likely to retain their promarket focus. Market-preserving federalism, therefore, diminishes the prevalence of rent-seeking and patronage systems. The latter can only survive in areas with political protection from market forces, a phenomenon that market-preserving federalism is designed to eliminate.

Predictions following the inception of market-preserving federalism. Following the imposition of a system of federalism, we should observe a

[15] McKinnon (fn. 5).
[16] Weingast (fn. 1).

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diversity of policy choices and experiments. People in different political jurisdictions are likely to have markedly different interests, expectations, and capabilities. We should, therefore, observe that they choose a range of policies to promote their goals.

As the results of these experiments and policies become known, individuals and policymakers will update their expectations about the effects of various policies. Thus, decentralization under market-preserving federalism results in an important degree of feedback, which would not be present under a unitary system that imposes a single national experiment over all regions.

Competition among jurisdictions provides incentives to replace poorly chosen strategies with variants of strategies that appear to succeed elsewhere. To the extent that some jurisdictions are better at promoting markets, generating wealth, and caring for the needs of their citizens, their policies are likely to be imitated by others that have been less successful. Still, we do not expect the appearance of uniformity among jurisdictions for several reasons. First, individuals and firms will sort themselves into jurisdictions, to the extent, for example, that they require different types of public goods. Second, resources and access to markets imply that a variety of economic and political differences will survive.[17] Finally, individuals are likely to vary in their tastes for public goods, as well as in their ability to pay for them.

Predictions when market-preserving federalism remains incomplete. The set of predictions just noted will vary in systematic ways if particular components of market-preserving federalism are missing. We discuss the implications of two limitations on market-preserving federalism. The first concerns the absence of a common market, allowing individual jurisdictions to erect trade barriers. The principal difference is that the common market is highly unlikely to be sustained without explicit protection from the central authorities.[18] This implies that some areas, particularly those not likely to perform well under competition with jurisdictions, are likely to erect trade barriers to firms and products from other areas. A federalism of this sort (which is only incompletely mar-

[17] See, for example, Paul Krugman, *Geography and Trade* (Cambridge: MIT Press, 1991).

[18] For example, the common market in the United States in the early nineteenth century could not have been sustained without vigilant policing by the Supreme Court. Policing the market against encroachments by state governments proved a major use of the Court's constitutional powers. These cases reveal the remarkable diversity and cleverness of the states in their efforts to erect such barriers. See Barry R. Weingast, "The Political Foundations of the Antebellum American Economy (Working paper, Hoover Institution, Stanford University, 1993). Similarly, such barriers are a major reason underlying the movement for economic and political union in Europe. See G. Garrett, "The International Cooperation and Institutional Choice: The European Community's Internal Market," *International Organization* 46 (Spring 1992).

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ket-preserving) will produce seemingly contradictory results. Some areas will promote markets while others will closely control their economy, especially from influence outside the jurisdiction.

We also expect this juxtaposition to be more pronounced in jurisdictions just after a system of federalism is imposed than in a more mature system, especially in an economy like China's with only limited experience with markets. Limited exposure to markets naturally generates suspicion of them and of their potential dependence on outsiders. The feedback provided by multiple jurisdictions that conduct independent experiments is important for the next stage. As the market grows in those areas that commit themselves to it, the tendency of other jurisdictions toward protectionism will diminish. The experience with markets will reveal new information about how they allow local governments to provide for the needs of citizens. Even in the presence of strong trade barriers, fiscal pressures will push insulated areas to substitute market mechanisms for those activities that have been demonstrated elsewhere to be superior providers of particular goods and services. Nonetheless, some regions may never foster markets.

The second explicit limit on market-preserving federalism concerns the absence of centralized control over the monetary system. To the extent that the authority over credit, for example, is not centralized, but remains, at least in part, at the discretion of lower governments, several problems are likely to emerge. The most obvious is inflation as each government overgrazes the "commons," causing too much growth in the money supply. The second problem is a consequence of the first. Decentralized access to credit under these circumstances also softens the hard budget constraint, as governments that increase their exposure can always borrow more in the short run. This induces moral hazard—for example, too much borrowing to finance too many investments, many of which would not be financed were it not for access to credit in this manner.

III. Federalism, Chinese Style

The decentralization in China differs from Western federalism in several important respects. First, the latter virtually always roots federalism in an explicit system for protecting individual rights. Second, Western federalism typically has strong, explicit constitutional foundations. Third, it is almost always associated with political freedom, representation, and democratization. None of these factors are present in China. Notice, however, that as defined above, market-preserving fed-

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eralism in no way depends on these factors. Instead, it depends on the political relationships among levels of government, with no reference to an explicit or constitutional basis or its promotion of individual rights and political freedom.

In this section, we present evidence from China on each of the five conditions, both positive and negative, underlying market-preserving federalism. As we show, with some important qualifications, the conditions are satisfied.

The differences between Western and Chinese federalism noted above constitute the first aspect of federalism, Chinese style. The second aspect concerns the specific nature of the institutional changes of decentralization underpinning the reforms, the increased reliance on markets, and openness to the outside world. Perhaps the most significant steps toward reform taken by the Chinese central government were its decentralization of authority from the central to local governments and, to a lesser degree, the state-owned enterprises. The idea of decentralization in China is not new—it experienced two previous waves of "administrative decentralization," the Great Leap Forward in 1958 and the Cultural Revolution in 1970. Decentralization in the 1980s differed, however, in that it is combined with financial incentives, reliance on market mechanisms, increased control for lower governments over their economies, and a new openness to international markets. These features generate far-reaching consequences for political institutions and economic performance.[19]

Decentralization of Authority

Even before the current economic reform began in 1979, a large number of state-owned industrial enterprises in both light and heavy industries were controlled by local governments rather than the central government. In 1978 the share of industrial output of state-owned enterprises controlled by the central government was less than one-half of the national total.[20] In the early 1980s, as a result of the reforms, many state-owned enterprises controlled by the central government were delegated to local governments. By 1985 state-owned industrial enterprises controlled by the central government accounted for only 20

[19] See Yingyi Qian and Chenggang Xu, "Why China's Economic Reforms Differ: The M-form Hierarchy and Entry/Expansion of the Non-State Sector," *Economics of Transition* (June 1993). Qian and Xu provide a detailed analysis of how and why this happened in China, offering an institutional explanation of differences between economic reforms in China and in Eastern Europe and the Soviet Union.

[20] Christine Wong, "Between Plan and Market: The Role of the Local Sector in Post-Mao China," *Journal of Comparative Economics* (September 1987).

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percent of the total industrial output from such enterprises at or above township level. At the same time, provincial and city governments controlled 45 percent, county governments 9 percent, and the rest came from township enterprises.[21]

Unlike previous decentralizations, which were carried out within the framework of central planning, provincial and local governments under the market-oriented reforms enjoyed a wide range of authority within the market environment. More and more foreign capital, for example, flowed into firms and projects that were not controlled by the central government. The total foreign investment in China increased from $4.5 billion in 1985 to $19.2 billion in 1992 (among the largest investors were Hong Kong, Taiwan, U.S., and Japan). At the same time, the share of foreign investment administered by provinces (rather than ministries of the central government) increased from 35 percent in 1985 to 68 percent in 1992.[22]

Many reform policies were also delegated to provinces and local governments. For example, China did not liberalize prices in one stroke. The dual price system was a common practice in China in the 1980s, with one planned price and another market price. A little known fact is that, for many goods, moving from a dual price system to a single price system was not carried out solely by the central government, but also by local governments. Decisions about prices were largely delegated to lower-level governments. (Exceptions to this generalization are some nationally important goods, like energy and transportation services.) Many governments have extended their authority to pursue reform to liberalize the prices. With grain prices, which had been under the control of the central government, Guangdong took the lead in liberalization in 1992, and many other provinces have since followed suit.

Decentralization of authority is particularly associated with the establishment of special economic zones, coastal open cities, and development zones. In 1979 China established four special economic zones: Shenzhen; Zhuhai; Shantou, adjacent to Hong Kong in Guangdong Province; and Xiamen, in Fujian Province across the Taiwan strait.[23] Subsequently, Guangdong and Fujian gained substantial autonomy in developing their regions when the central government granted them authority to pursue reform "one step ahead." Not only did these areas enjoy lower tax rates, but they gained more authority over economic de-

[21] Qian and Xu (fn. 19).

[22] See *China Statistical Yearbook* (various years).

[23] Hainan was added as the largest special economic zone when it was organized as a separate province in 1988.

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velopment. For example, they have the authority to approve foreign investment projects up to $30 million, while other regions' authority remain much lower.

In 1984 the central government declared fourteen coastal cities as "coastal open cities," conveying to them new authority that paralleled power granted earlier only to special economic zones. In the early 1990s treatment of special economic zones was extended to various inland regions. For example, some inland cities along the Yangtze River and cities bordering Russia obtained similar authority as the coastal cities. Furthermore, many inland cities, which did not qualify for these special treatments as a whole, established numerous "development zones" inside their regions to enjoy part of the tax benefits and autonomy.

Fiscal Incentives: The Fiscal Contracting System

Starting in 1980, China implemented a fiscal revenue-sharing system between any two adjacent levels of governments.[24] Although schemes vary across both regions and time, the basic idea is that a lower-level regional government contracts with the upper-level regional government on the total amount (or share) of tax and profit revenue (negative values imply a reverse flow of subsidies) to be remitted for the next several years; the lower-level government keeps the rest. This system was maintained until the end of 1993, and a new fiscal system was introduced in the beginning of 1994.

Consider fiscal contracting schemes between the central and provincial governments (lower-level fiscal contracting is similar). In the first step, revenue income in each province is divided between "central fixed revenue," all of which is remitted to the center, and "local revenue," which is subject to sharing. In the second step, a particular formula of sharing is determined. There were six basic types of sharing schemes for the thirty provinces and five cities during 1988–93.[25]

1. Fixed sharing: a fixed proportion is remitted to the center (three provinces/cities);

[24] See, for example, Jean Oi, "Fiscal Reform and the Economic Foundations of Local State Corporatism in China," *World Politics* 45 (October 1992); Michael Oksenberg and James Tong, "The Evolution of Central-Provincial Fiscal Relations in China, 1971–1984: The Formal System," *China Quarterly* (March 1991); and, Christine Wong, "Fiscal Reform and Local Industrialization," *Modern China* 18 (April 1992).

[25] The five cities are below the provincial level but have independent budget agreements with the center. The list is based on: Roy Bahl and Christine Wallich, "Intergovernmental Fiscal Relations in China" (Working papers, Country Economics Department, World Bank, WPS 863 1992); Christine Wong, "Central-Local Relations in an Era of Fiscal Decline: The Paradox of Fiscal Decentralization in Post-Mao China," *China Quarterly* 128 (December 1991); idem (fn. 20).

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2. Incremental sharing: a certain proportion is retained up to a quota, and then a higher proportion is retained in excess of the quota (three provinces/cities);

3. Sharing up to a limit with growth adjustment: the localities retain a specified proportion that is within a specific percentage of revenue from the previous year, and then retain all above that quota (ten provinces/cities);

4. Fixed quota delivery: a specified, nominal amount is remitted to the center (three provinces/cities);

5. Fixed quota with growth adjustment: the fixed amount remitted to the center is increased at a contracted rate (two provinces/cities);

6. Fixed subsidies (fourteen provinces/cities).

The importance of these new fiscal arrangements is that they induce a strong positive relationship between local revenue and local economic prosperity for all provinces and cities, thus providing local officials with an incentive to foster that prosperity. Schemes 4 to 6, which cover nineteen out of thirty-five provinces or cities, at the margin allow local governments to retain 100 percent of local revenues. Scheme 3, which covers another ten provinces and cities, has the same effect when the increased revenue limits for sharing are not a binding constraint. Even in scheme 2, the marginal remittance rate is regressive.

The fiscal contracting in budgetary revenue described above is only one aspect of fiscal decentralization; the other is the expansion of the so-called extra-budgetary funds (certain categories of revenues collected by the local governments and ministries, including some retained profits of state-owned enterprises). In the early 1990s the extra-budgetary revenue reached about the same level as budgetary revenue. Unlike the budgetary revenue, which is subject to sharing with the higher governments, the extra-budgetary revenue is wholly retained by the local government. Moreover, the local government has complete authority over the determination of taxes or fees that fall into the categories of extra budget. The decentralized nature of extra-budgetary revenues also increases local government security from predation by the central government, as such revenues are easier to hide from the higher governments. These funds are especially valuable to local governments as their use is more flexible than budgetary revenues.

By way of summary, these changes provide for substantial independence of the governments in China, from the provincial to the township, which ensures that governments in each region assume primary responsibility for economic development in that region. Hence, these governments possess both significant fiscal autonomy from the central government and considerable independent authority over their economies.

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Notice the striking contrast between this system and that of the former communist system, including the former Soviet Union and Eastern Europe. In the latter, the central authorities retained the discretionary authority to the profits "earned" by producers, typically using this authority both to take resources from those firms with positive earnings and to bail out those with negative earnings. This discretionary redistribution was described in the Soviet Union by the Russian word *uravnilovka*, which translates as "equalization" or "leveling off."[26]

The Common Market Condition

In contrast to the decentralizations accompanying the Great Leap Forward and the Cultural Revolution, decentralization in the current reform is associated with increasing marketization. The development of good and factor mobility across regions is considerable but remains imperfect. On the one hand, there are clear signs of increased factor mobility over time, as evidenced by the huge "floating migrant" population and the foreign-capital inflow. On the other hand, decentralization has increased the incentives as well as the range of political means for local governments to erect trade barriers, resulting in the so-called dukedom economies phenomenon, which has worried the central government and economists. This form of protectionism has occurred most often in the markets of high profit-margin manufacturing goods (such as automobiles, tobacco products, and alcohol) and raw materials in short supply (such as cotton, silkworm cocoons, tobacco, and aluminum).

The imperfect common market implies that some areas have used their political freedom to maintain considerable trade barriers.[27] We offer two examples. First, consider automobile assembly. The total production of automobiles in China was around 1.2 million in 1992, despite the fact that it had more than 126 assembly factories with an average production of 10,000 units.[28] Almost all provinces have their own automobile factory. Such an inefficient scale can be maintained

[26] For discussion of the Russian case, see John Litwack, "Discretionary Behavior and Soviet Economic Reform," *Soviet Studies* (March 1991); and idem, "Legality and Market Reform in Soviet-Type Economies," *Journal of Economic Perspectives* 5, no. 4 (1991).

[27] See Wong (fn. 24). In a recent comprehensive study of China's internal market, the World Bank concluded that "despite considerable progress in the substitution of allocation by the price mechanism, markets for both goods and factors of production (capital, labor and foreign exchange) are still regionally fragmented. . . . Links with the overseas exterior appear to have been easier to develop than links with other provinces, both in terms of the mobility of goods and some factors, particularly capital investment. There has been some tendency for individual provinces to behave as separate countries, rather than as parts of a single large country. *China: Internal Market Development and Regulation* (Washington, D.C.: World Bank, Country Operation Division, China and Mongolia Department, 1993).

[28] *People's Daily,* October 11, 1993, overseas edition, p. 2.

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only in the presence of substantial government protection: tariffs at the national level and various trade barriers at the regional level.[29]

Second, in 1985 Jiangxi Province liberalized hog procurement.[30] As a result of the large demand from rich neighboring provinces such as Guangdong and Fujian, hog prices increased rapidly. To maintain the welfare of its urban constituents, the local governments of Jiangxi attempted to keep the urban retail pork price of local government-owned food companies at a low level. The local governments thus spent a large amount of their budgets on subsidizing hog sales in local cities. As it was more profitable for rural households to sell hogs to neighboring rich provinces where hog prices were much higher, hogs were exported out of the region. At the end of 1985, the Jiangxi provincial government reacted to this situation (in which the "Jiangxinese raise hogs and Cantonese consume pork") by establishing tax offices on the provincial border. Their purpose was to develop a so-called hog development fund derived from hog sales out of the region. Since this fund actually could be captured by any level of authorities that charged it, many county and even township governments in Jiangxi set up tax offices. In response, hog production decreased dramatically.[31]

As these examples suggest, the imperfect policing of the common market allows local governments to insulate themselves from competition by erecting trade barriers. These barriers also allow the emergence of corruption. In insulated regions beyond the reach of the central government, local officials can take advantage of their power for personal gain. In the presence of open competition, this type of corruption is harder to sustain because of market pressure.

The Hard Budget Constraint Condition

At all levels of government, fiscal budget constraints are relatively hard due to the declining tax revenues and the limited intergovernmental budgetary transfers under the fiscal revenue sharing schemes. The one exception is the state banking system, which has become the most significant source of the soft budget constraint for governments at or above the county level.

China's state banking system features a central bank supervising four major specialized state banks. The banking institutions in China

[29] For example, it is reported that one provincial government instructed its automobile registration department to refuse to issue license plates to unauthorized automobiles produced outside the province.

[30] C. Wang, "Hog Production Problems in Jiangxi Province," *Economic Study* (May 1988).

[31] Though the details differ, this pattern was repeated in 1986 and 1987.

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evolved from the planning era in which the central bank and each of the four specialized banks established a branch in every province, municipality, and county. Under regional decentralization, the regional governments at provincial, municipality, and county levels also gained great influence over credit decisions through the regional branches of the central bank and specialized banks. The local bank branches were under the "dual subordination" principle (*shuangchong lingdao*): they were subordinated to the banking hierarchy as well as to the local government. As reform proceeded, the latter carried more weight. *Ex ante*, the local governments were directly involved in the credit-plan formulation and might impose loans on specialized banks. *Ex post*, the local governments had the authority to decide whether the enterprise should pay back the loan.

The absence of a unified monetary system has allowed local governments access to credit in a way that has expanded the money supply. When all local governments behave in this manner, the result is inflation. Yet not one of them has an incentive to stop; each province claims that overheating is caused by the other provinces, not by itself. This has the structure of the "tragedy of the commons" and is the main reason that the monetary system is a national public good: it must be controlled by a single authority, and, best, by a national one.[32]

The Case for Township and Village Governments

Central, prefecture, municipal, and county governments all have full authority in the Chinese governmental hierarchy to regulate the market through administrative methods. But township and village governments have very limited authority. Historically, their responsibility was confined to agriculture and rural governance, and they had no control over state-owned enterprises (SOEs) and no access to the state banking system. These institutional constraints have made the township and village governments somewhat different from the higher level governments: township and village governments operate under a hard budget constraint and without trade barriers. Both conditions were somewhat relaxed, however, for higher level governments in China. In this sense, the Chinese federalism seems to better approximate a market-preserving one at the township and village levels than at higher levels.

One result of China's reform is the spectacular growth of the market in the flourishing sector of township-village enterprises (TVEs), which

[32] This conclusion is standard in the fiscal federalism literature. See, for example, Wallace Oates, *Fiscal Federalism* (New York: Harcourt Brace Jovanovich, 1972).

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are owned by township and village communities and controlled by township and village governments.[33] By the end of 1993, TVEs produced 30 percent of the total industrial output in China. This remarkable success of TVEs can be understood from the incentives facing these firms. First, the structure of these firms affords residual claim rights (in essence, the rights to profits) to township and village governments. Second, two forms of limits are imposed upon the township and village governments and their firms. The first limit is that these governments do not have the authority to enact protectionist policies. They cannot use political means to protect their firms, for example, by erecting trade barriers to keep out competition. The second limit is a hard budget constraint. Not only may they go bankrupt, but the local governments, in contrast to the central government that can print money, cannot endlessly bail them out. In 1989, for example, about three million TVEs went bankrupt or were taken over by other TVEs. In the same year almost all loss-making state-owned enterprises were bailed out by the state.[34] Furthermore, total credit going to the TVE sector was no more than 8 percent of the total outstanding loans, despite the fact that this sector produced more than 25 percent of total industrial output at the time.[35] Although both TVEs and SOEs are "owned" by governments, their incentives and hence their behavior are far different.[36]

Durability and Irreversibility of Federalism, Chinese Style

Decentralization began with the delegation of considerable economic authority to local governments. These governments assumed primary authority over economic matters within their jurisdiction. We have also suggested that the reforms have provided considerable limits on the discretion of the central government. They are also often associated

[33] A burgeoning literature studies this topic. See, for example, William Byrd and Qingsong Lin, eds., *China's Rural Industry: Structure, Development and Reform* (Oxford: Oxford University Press, 1990); Victor Nee and Su Sijin, "Institutional Change and Economic Growth in China: The View from the Villages," *Journal of Asian Studies* 49 (1990); Oi (fn. 24); Qian and Xu (fn. 19); Martin Weitzman and Chenggang Xu, "Chinese Township-Village Enterprises as Vaguely Defined Cooperatives," *Journal of Comparative Economics* (April 1994); Chun Chang and Yijiang Wang, "The Nature of the Township Enterprise," *Journal of Comparative Economics* (December 1994); Andrew Walder, "The Varieties of Public Enterprises in China: An Institutional Analysis" (Manuscript, Harvard University, 1994); Jiahua Che and Yingyi Qian, "Boundaries of the Firm and Governance: Understanding China's Township-Village Enterprise" (Manuscript, Stanford University, 1994).

[34] *People's Daily*, March 23, 1990, overseas edition.

[35] *Almanac of China's Finance and Banking*. Beijing: China's Financial Publishing House, 1992.

[36] This topic is further explored in Yingyi Qian and Barry R. Weingast, "Institutions, State Activism, and the Role of Government in Economic Development" in Masahiko Aoki, Masahiro Okuno-Fujiwara, and Hyung-Ki Kim, eds., *The Role of Government in East Asian Economies: Comparative Institutional Analysis* (New York: Oxford University Press, forthcoming).

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with the emergence of strong regional economic powers, such as Guangdong Province. These limits seem to endow the reforms with a degree of durability, making reversal more costly, if not impossible. Three events after the Tiananmen Square uprising in 1989 demonstrate these conclusions.

1. *After Tiananmen Square, 1989–1991.* The single best indication of the linkage between durability of reform and decentralization concerns the events following Tiananmen Square, especially between 1989 and 1991 under the austerity program. During that period, the conservatives gained the most political, ideological, and military power for a possible reversal. Li Peng tried to recentralize investment and financial powers but failed. The governor of Guangdong refused to cooperate and many other governors followed.[37] This, however, is only part of the story. This incident suggests the striking new power of local governments to shape decisions by the central government. On several previous occasions when the economy faced difficulties (for example, in 1962 and 1981), Chen Yun, an advocate for central planning, succeeded in compelling the provincial governments to "help the central government overcome the difficulties," that is, to turn over more revenue to the central budget. The contrast between this situation and Li Peng's failed attempt illustrates our point: the limits on the discretion of the central government provides for the durability of reforms.

Five considerations support this claim. First, by this time, the price of recentralization had increased. In order to recentralize, the central government would have to undertake substantial new obligations by providing social safety-net expenditures. A major retrenchment would increase the regime's financial obligations while the economy would shrink as firms, successful under markets, withered. This raises immediate financial problems: how would these obligations be financed? Fiscal problems of this magnitude raise the specter of the former Soviet Union's failure, surely a possibility to be avoided. Further, a major retrenchment would risk considerable social problems.

Second, some regions have already accumulated sufficient wealth in ways that do not allow the central government to easily confiscate the revenue because the regional governments followed a strategy of "storing wealth in people and in enterprises." The regional governments also have greater vested interest in continuing the reform.[38]

[37] Shirk (fn. 3).

[38] Paralleling these problems is the substantially diminished reach of the central planning system. Put simply, the central government no longer has the administrative apparatus to monitor and plan the economy as necessary under the older system.

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Third, incentive structures within the government and the Party have altered considerably. In advanced regions, many officials no longer care to be promoted to posts in the higher level government.[39] This is because, at a lower level of the government, the more autonomy the officials enjoy, which also translates into higher financial benefits. This contrasts strikingly with the earlier period in which climbing up the Party ladder was desired by most individuals. Thus, in Guangdong Province today, township officials do not want to be promoted to the county level, municipal officials do not want to be promoted to the provincial level, and provincial officials do not want to be promoted to the central government.

This difference reflects an important change in political incentives. Local political officials are now far less beholden to the central authorities. In the past, central authorities retained a variety of incentives to control the behavior of lower officials: fiscal control of local government operations allowed them to manipulate local decision making, and individuals were promoted for appropriate behavior and punished for behavior deemed inappropriate. Each of these incentives has been weakened under the current arrangements. Although the central government retains control over the army and over the appointment and dismissal of high-level personnel, the power of these tools is weaker than when they were combined with the more microlevel incentives employed during previous eras.

Fourth, the fall of socialism in Eastern Europe and the former Soviet Union has had an important impact on China. China's immediate reaction to the collapse of these communist regimes was recentralization, but the Chinese government soon realized that its legitimacy could only be sustained by economic growth. A reversal of the reforms that cut off access to international markets would result in significant shrinking of domestic production and unemployment, thus dramatically increasing the demands on the central government. An outright reversal of the reforms would greatly expand the central government's fiscal commitments while dramatically contracting the economy, putting the regime at risk. Complementing this financial incentive is the economic stake due to openness to the international market, in particular, pressure from the booming East Asian neighbors. Further, the sheer growth of the market economy makes the imposition of a new round of central control of the economy difficult, if only because the central government no longer retains the capacity to monitor the vast new economy.

[39] Shirk (fn. 3).

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A final aspect of the reforms, as often claimed, is that a majority of Chinese people seem to have gained economically under the reforms, including farmers, workers, and even most bureaucrats. A widespread feeing that reforms have left people better off places a constraint on any attempt to reverse reforms.

2. *Deng's southern tour, 1992.* The above evidence suggests that the reforms were not reversed after the Tiananmen Square incident in part because of the increased political power of local governments. Amid the political deadlock within the central government at the end of 1991, Deng Xiaoping made his now famous southern tour to the province of Guangdong. Among his stops were several special economic zones. Using the regional support for continued reforms, Deng's visit tipped the political balance of the central government. This resulted in the central government's official declaration in October 1992 to build a "socialist market economy."[40] Ending the deadlock revealed two interrelated elements about the security of the reforms. First, it indicated that the immediate threat to the reforms after Tiananmen had failed. Second, the failure of the retrenchment revealed that the reforms were protected by a degree of durability.

3. *Rationalization and institutionalization, 1993–94.* Further evidence for the durability of the reforms and decentralization is provided by the recent controversies over recentralization.

In the transition from a planned to a market economy, certain types of overshooting in decentralization have not been avoided. Several problems have thus emerged from the lack of central authority, raising calls for a recentralization. The crucial question is: will the central government use the occasion for centralization and reversal to the old system, or will it have to justify its action as an integrated part of more reforms, that is, a process of rationalization of market institutions? We provide two examples below indicating the latter path.

In the first half of 1993 the economy seemed to become "overheated," reflecting problems of macroeconomic imbalance similar to those experienced in 1988. This caused instability in the foreign-exchange market. At first the government attempted to control the exchange rate through administrative methods by imposing a ceiling, but this failed. The market exchange rate was later stabilized in July 1993 when the central bank sold dollars rather than imposing ceilings. This intervention was followed soon by the implementation of foreign-exchange reform on January 1, 1994, which unified the previous official

[40] It should be noted that reforms in many southern regions went ahead despite actions from the central government during the period from 1989 to 1991.

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and market rates and essentially achieved trade-account convertibility.

Second, amid the continuing decline of central government revenue as a proportion of GDP from 31 percent in 1978 to 15 percent in 1992 (within-budget consolidated revenue), the call for an increase of government revenue comes together with a proposal for enacting a more formal system of fiscal federalism, which was implemented in January 1994. The new fiscal system, which resembles that of the United States, established a two-tier tax-administration system (national and local) that separates taxes into national, local, and shared taxes. It also simplifies tax rates and makes them more uniform. Furthermore, rule-based transfer formulas are being studied for possible implementation in the future. The reason for such a shift toward a formal fiscal federalism is that it appears impossible (prohibitively costly) to collect more revenue through methods of centralization, and fiscal federalism is the only alternative that will satisfy both central and local governments. Importantly, it holds the promise of resolving the problems of an overly weak government without removing the beneficial effects of the decentralization. A direct recentralization, in contrast, would threaten to remove this essential political component underlying the success of the economic reforms.

Summary. A range of factors contributes to the durability of the reforms, limiting the discretion of the central government to attempt a reversal. First, as a result of the reforms, new, rival power centers have emerged in China. Local governments, particularly those in areas with the largest growth, now have substantial independent sources of revenue, authority, and political support. Second, although local officials are still appointed and dismissed by the central government, their authority is implied and enhanced by their access to and control of local information and resources (for example, in the case of extra-budgetary revenue). Third, the gradual decline of the personal authority of national leaders and the rise of local governments have weakened the reach of the Chinese Communist Party into the lower levels of government; many lower government officials now bestow their loyalty on localities, not the central government. Fourth, as the private market economy has expanded, the ability of the central government to monitor and control local economic behavior has weakened enormously. Finally, as noted above, any attempt by the center at economic retrenchment would strain its financial capacity, raising the specter of the fall of the Soviet Union.

These changes endow the economic reforms with a degree of politi-

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cal durability. Each serves to raise the costs of a recentralization of political authority and an economic retrenchment, although this effect was often unintended. The short-lived attempt at recentralization following Tiananmen Square is consistent with this logic, as are the recent institutional and tax changes reflecting an attempt to correct for overshooting in decentralization. Our argument does not imply that a retrenchment is impossible, but that it would be costly and might fail, thus making it less likely.

IV. The Effects of Federalism, Chinese Style

The economic approach to market-preserving federalism outlined in Section II yields predictions about economic performance following the onset of federalism. We now turn to investigate some of the varied economic response to federalism, Chinese style, over the past fifteen years.[41]

Economic policy-making by provincial and local governments reveals a wide range of behavior over the past fifteen years. Many areas initially chose to remain unchanged. Others sought to reinforce the status quo. Still others, of course, chose the path of reform. Moreover, this pattern of policy choice has not remained stationary but has changed over time, in part reflecting the emerging evidence about the consequences of the different policies. Competition among jurisdictions is evident in many forms.

Competition among Jurisdictions: Experimentation, Learning, and Imitation

Following the predictions of the economic approach to federalism, jurisdictions in China initially chose different policies. As the results became known, some of those with inferior policies adopted the superior ones. First, failed experiments were discarded while successful ones were expanded and imitated. Second, there has emerged a large range of seemingly puzzling results that appears inconsistent with marketization. Many governments pursue strikingly interventionist policies, for example, by erecting trade barriers and preventing competition from firms from neighboring provinces. Moreover, there are widespread reports of overcompetition. How do we make sense of all this? The following series of cases reveal patterns consistent with the theory developed above.

[41] Additional evidence is provided by Steve Lewis, "Marketization and Government Credibility in Shanghai: Federalist and Corporatist Perspectives" (Manuscript, Washington University, 1994).

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1. *Heilongjiang's "Project 383."*[42] Bordering Russia, Heilongjiang is China's most northeastern province, and a conservative one. In an effort to demonstrate their dedication to the old system, Heilongjiang's officials announced "Project 383" in 1989. This policy was designed to achieve a significant reduction in the rate of price increases (from 17 percent in the previous year to 13 percent) for the 383 goods in the official basket used to calculate the inflation index. The policy proved very costly and was criticized by the government—for example, members of the financial bureaucracy—and the public. The contrast with Guangdong was apparent to all. Guangdong had freed prices on the same set of goods, and, due to reforms, prices had fallen. Guangdong's policies had thus achieved the same results but without significant financial participation by the government. Reports from economists suggest that Project 383 has been abandoned.

This episode represents an important instance of the learning that takes place during the experimental process. Given its goals and expectations, Heilongjiang initiated Project 383. It decided that the project was a failure, not because the province changed its goals, but because market methods had proved more effective.

2. *Two prefectures.* The process of choosing different strategies followed by the comparison of results and the adoption of the superior strategy occurred in two similar prefectures just across the provincial border, Shaoguan in Guangdong and Binzhou in Hunan.[43] When reform was first adopted in Guangdong in 1980, many commodity prices in Guangdong rose above those in Binzhou since the reform was not carried out in Hunan. As a result, resources from Binzhou flowed to Guangdong. The Binzhou government set up tax offices on the border in an attempt to stop this outflow. These attempts did not bring prosperity to Binzhou. Years later when the people in Binzhou compared themselves with their neighbor, Shaoguan, they found that, although both had similar initial economic conditions, Shaoguan had significantly benefited from economic reform in Guangdong. People in Binzhou urged the government to undertake reform.

In 1988 the central government allowed Binzhou to adopt some reform measures. This enabled Binzhou to enjoy the benefits of opening markets to Guangdong. The prefecture government withdrew all its tax offices along the border with Guangdong. Soon the adjacent areas between Binzhou and Guangdong prospered, and interregional trade

[42] "Heilongjiang Province Implements Project 383 to Control Prices," *Price Theory and Practice* (July 1990).

[43] *Economic Daily*, November 25, 1991.

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reached a record level. Importantly, the Binzhou government obtained far more tax revenue from these businesses than from those border tax offices.[44]

3. *Coordinating labor flows.*[45] China's floating labor population, estimated variously between 60 and 100 million workers, is so large that it can overwhelm the ability of local governments to provide basic services, such as water, food, sewage, transportation, security, and housing.[46] In part, due to the congestion caused by these migrants, several provinces have begun to manage and coordinate these flows.[47] For example, in early 1992, Guangdong, Hunan, Guangxi, and Sichuan established an interregional labor coordination center to help coordinate labor movements among these four provinces. Under the new regulations, migrant workers in Guangdong must obtain approval from labor-management organizations of their home province. Guangdong, in turn, agrees to provide labor-demand information to the other three provinces.

A comparison of labor flow into Guangdong and Shanghai reveals the effect of these organizations. For both areas, the labor inflow of 1993 was the largest in history. Yet the two regions responded very differently. In Guangdong, transportation was much more reliable than in previous years. The crime rate dropped sharply compared with the same period (spring) of the previous year. Many firms provided their own transportation for workers hired from other regions. Likewise some local governments of other provinces also provided transportation for workers from their regions. In contrast, large numbers of migrants flowed into Shanghai trying to find work in the recently established Pudong Developmental Zone. The development zone only needed approximately 500,000 to 600,000 workers. But the labor arriving in Shanghai on the two days of January 31 and February 1 more than doubled this figure. Many people were detained in the train station or on the streets. On January 31, the Shanghai municipal government sent

[44] Stories of this type can be replicated manyfold. As an additional example, we note the comparison of Nanyang and Xiangfan, two cities in Henan and Hubei provinces, respectively. The latter made much faster progress, and when this was reported in the *Economic Daily* in 1984, the former designed a new set of developmental programs to learn from and imitate the advanced regions. Five years later, Nanyang was ranked as one of the best among middle and small size cities within the nation (*Economic Daily*, December 6, 1991).

[45] *Economic Daily*, May 15, 1991, and July 4, 1992; *Outlook*, February 22, 1993.

[46] See, for example, Dorothy Solinger, "The Floating Population as a Form of Civil Society" (Paper presented at the forty-third annual meeting of the Association for Asian Studies, New Orleans, La., April 11–14, 1991).

[47] Undoubtedly there are other factors underlying these policies, for example, keeping the benefits of local services (such as education) for local residents. Moreover, under other circumstances, these mechanisms could be used to cartelize labor markets, or for other political purposes.

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an emergency request to neighboring provinces asking them to stop labor flowing to Shanghai. In the meantime, Shanghai started to deport those migrants who could not find jobs.

The difference between these two regions occurred in part because Guangdong had experienced the large amount of labor inflow much earlier than Shanghai. Therefore, Guangdong and its neighboring provinces have learned much more about the markets and what they can do about it. The market capacity appears to have reached a sufficient scale in Guangdong so that organized labor markets will pay off.

Competition among Jurisdictions: Factor Mobility

Beyond experimentation and imitation discussed above, there is a more explicit type of competition for resources, particularly labor and foreign capital. Here, too, localities with more efficient economies outcompete less efficient ones.

1. *Organized labor export and capital import in Sichuan Province.* Evidence of labor mobility is striking. Although many restrictions remain on migration, the floating labor pool is enormous by any standard.[48] Labor moves from areas of surplus to areas of need. An interesting story concerns labor export from Sichuan province.[49] Total labor exported from this province has reached 3 million per year. Remittances from migrants have totaled as much as 3–5 billion yuan annually, accounting for 10 percent of net farmer income in the province. Provincial authorities have attached great importance to labor export. The vice governor of Sichuan province pointed out that labor export has become an important means of developing backward local economies. It requires less capital and yields quick and high returns. Individuals leave with nothing and return with what is, by local standards, a fortune. Their annual incomes are largely higher than 1000 yuan, and some have assets over 1 million. They bring back capital to invest in the local economies, promoting the local economy and township-village enterprises.

To foster the process of labor export and capital import, the Sichuan provincial government established a labor development office headed by the vice governor. Different levels of local government authorities established organizations that are responsible for managing labor exports and the provision of training to improve skills. Some counties established county-township-village hierarchical labor service systems, providing auditing, monitoring services, and coordination with tax bureau and financial institutions.

[48] Solinger (fn. 46).
[49] *Financial Times* (China), March 9, 1993; *People's Daily*, January 2, 1993.

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2. *Competition for foreign capital.* There is also considerable competition among regions—provinces, townships, cities, special economic zones, and developmental zones—for foreign capital. Two of the main ingredients in this competition are: first, the laws, regulations, and taxes that promote economic development, including secure property rights and private returns (known as the "software"); and second, infrastructure (such as transportation and port facilities) and access to markets (known as the "hardware"). There are now over one thousand zones designed to attract foreign capital. There is considerable evidence that foreign capital flows toward those areas where a high return is likely.

As noted in Section III, not only has foreign investment increased, but the share of regional control also has increased dramatically. Closely related is another recent trend that might be termed "development zone" fever.[50] Under the efforts of several levels of local authorities, development zones mushroomed in the 1990s. According to the national bureau of land regulation, in 1991 there were only 117 development zones for the entire country. For 1992, it estimated the number to be 2,700.[51] In some cases, the cause for this development zone fever is that local governments try to attract foreign investment or business (so-called "building a nest to attract the phoenix"). In other cases, it is related to the emerging real-estate business, which is extremely profitable in China. This fever, however, does not automatically turn on the flow of foreign investment. In many instances, there are not complementary, well-established facilities and other conditions that suit large amounts of capital investment. This puts pressure on the local governments to further improve infrastructure and complementary facilities.

Dynamics of Competition among Jurisdictions: Trends and Momentum

As discussed above, successful aspects of reform and marketization are being imitated in many areas in China. The divergence in success and prosperity of seemingly similar towns, cities, and regions encourages those who struggle to copy those who thrive. Competition for factors implies that the various levels of government must provide secure promises to maintain reform and encourage investment.

Shaanxi's learning from and imitating Guangdong's system of opening trade illustrates the trend in imitation of the successful areas.[52] The

[50] *People's Daily*, January 30, 1993; *South Weekend*, March 5, 1993; *Guangming Daily*, June 29, 1993.

[51] Among the new development zones, only ninety-five are approved by the various departments of the central government. Most development zones were established by different local authorities, from provincial governments down to township governments.

[52] *Financial Times* (China), April 1, 1992.

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governor of Shaanxi province observed that the reason that Guangdong province achieved fast economic growth was that its markets were open and interregional trade was not blockaded. Shaanxi, in contrast, maintained considerable trade barriers, including large numbers of tax offices across its different counties and prefectures. In 1991 the provincial government released its control over 125 commodity prices and withdrew 12,289 tax offices. The commodity trade soon flourished. In the second half of 1991, the business tax of commerce increased by 20.1 percent over the same period of 1990. The central government attached great importance to Shaanxi's experience. The state council made copies of Shaanxi government's documents about its reform policy and sent them to other provincial governments. Many provinces, such as Gansu, Yunnan, Sichuan, Henan, Jilin, Ningxia, and Jiangsu, responded earnestly. Before long, Jiangsu established a "market guidance and coordination council"; Guizhou organized a "coordination team for market circulation reform." Many provinces have now incorporated the development of a market system into their socioeconomic development plans.

As part of this effort, authorities from various regions are actively studying the political and economic arrangements within the most successful regions. For example, in 1991 Jiangsu province sent a group of seventy-three government officials to the southern part of Shaanxi province, which is a very poor area.[53] This was the first cross-province exchange of government officials. After one year, they helped many counties, organizations, and firms in that area establish cooperative connections with those in Jiangsu province. Due to their efforts, the southern part of Shaanxi has attracted more than two hundred projects, including more than ten million yuan and a range of different types of personnel from other regions. These officials also helped to train over twenty-two hundred local personnel; they provided information to local firms; and they helped promote the firms' sales on international markets. The official exchange enabled the rich province of Jiangsu to develop markets and resources in Shaanxi province.

Summary

This section indicates that a range of behavior under the reforms is consistent with the predictions of market-preserving federalism. Experimentation, learning, and adaptation all follow from the inception of local political freedom over the economy. Local governments com-

[53] *Economic Information Daily*, May 3, 1992.

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pete with one another for factors and in the international market for exports.

The illustrations provided in this section do not prove our hypothesis, for they are not a representative sample of behavior. They nonetheless provide a sufficient basis to establish the plausibility of our contentions.

V. Conclusions

An economic system faces a fundamental dilemma: not only does it depend on the political system for specifying and enforcing property rights and contracts, but it also depends on the political system to protect the market from political encroachment. The developed economies of the West learned to mitigate this problem long ago, and, for many purposes, economists can ignore them. But the same cannot be said for developing countries, particularly those with long histories of unconstrained government.

The central hypothesis of this paper is that the form of decentralization inherent in the reforms in China—what we have called "federalism, Chinese style"—provides an important set of limits on the behavior of all levels of government. By design, decentralization directly limits the central government's control over the economy. It also induces competition among local governments, serving both to constrain their behavior and to provide them with a range of positive incentives to foster local economic prosperity.

The constraints of federalism, Chinese style, are especially important for China for a second reason. The other forms of credible limits on government typical of the developed West, notably, popular elections and a separation of power, appear not to be politically feasible for China at this time. Consequently, federalism may be one of the few ways in which a large, nondemocratic state can provide credible limits on its behavior. The discussion in Sections III and IV reveals that a substantial range of economic behavior exhibited in China is consistent with our central hypothesis. These case studies illustrate the range of experimentation, learning, and imitation that has occurred in many areas of China. The observation of the results of particular experiments provides information to all provinces, not just the one conducting the experiment. These observations have changed expectations nationwide. Yes, many individuals have gotten rich, as some had warned, but so too have many province, township, and village governments. This unexpected but striking fiscal power has played a significant role in the com-

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parisons across jurisdictions, as several of the above cases illustrate. The remarkable ability of the reforms to generate resources for many local governments has had substantial consequences. Not only did this allow them to provide for the welfare of its residents, often far better than nearby areas that had fought marketization, but it helped change the minds of many who were initially skeptical of reform.

The results of experiments have thus proved critical to the recent history of China, underscoring the importance of the federalism with its institutionally created *absence* of a single government with monopoly control over the economy. When there is only one government and it claims that the market would fail to provide for citizens and social needs, who can credibly claim otherwise, especially in the presence of the obvious initial costs of marketization? In contrast, if many regions can choose policies for themselves, all can compare the results, including those which do not wish to initiate reform policies. The successive comparisons over the past fifteen years, in combination with other factors, such as the conservatives' failure in 1989-92, underpin the new push toward markets over much of China.

Our explanation overlaps with and departs from Shirk's important work. Like Shirk, we emphasize decentralization and the incentives of local governments in the success of economic reform.[54] In comparison to our argument, Shirk places greater weight on the political organization of local governments and their control over the economy, arguing that local political officials should be viewed as creating systems of patronage and loyalty. We believe that there is considerable truth in Shirk's assertion. Because the approval of officials is necessary for enterprises, and because their protection is part of the maintenance of enterprise property rights and contracts, local governments play a more central role in the economy than local governments in Western Europe or the United States.

Nonetheless, Shirk's argument about particularism and patronage requires qualification. As stated, it applies in broad form to the patronage systems common in Latin America and Africa. Yet those economies have performed, respectively, poorly and abysmally. Missing from Shirk's approach is an explanation of the limits on the degree of

[54] Shirk's more extensive discussions allow her to treat a much wider range of topics central to the success of reforms for example, the importance of gradualism, the initial role of agrarian reform, and the political mechanisms underpinning reform within the central government. See Shirk (fn. 3); and idem, *How China Opened Its Door* (Washington, D.C.: Brookings Institution, 1994). Our analysis also has much in common with Oi's recent work. See Oi (fn. 24); and idem, *Rural China Takes Off: Incentives for Industrialization* (Berkeley: University of California Press, forthcoming).

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economic extraction of local governments in China, without which there would be no spectacular economic success.

Our approach suggests an answer: the system of federalism and the inherent jurisdictional competition places striking limits on this system of patronage and political spoils. So too does competition on the international market. Were particularism and patronage in a particular locality to place onerous restrictions or burdens on these firms, they simply could not succeed in international competition. China's striking economic success suggests that local government particularism differs significantly from that in Latin America and Africa. These issues deserve further research.

Before concluding, we would like to discuss briefly some of the limits of our analysis. First, the evidence provided in Sections III and IV is intended to demonstrate the plausibility of our approach; it does not represent a systematic empirical test. The latter would require further analysis and more systematic data from an appropriately constructed sample of provinces, but no such data is available at this time. Second, although our approach does not rely on arguments about Chinese culture, we do not imply that Chinese culture is irrelevant. Undoubtedly culture is central to the ability of individuals and groups who have taken advantage of new opportunities under reform. Our argument emphasizes that Chinese economic success reflects, in part, institutional changes. A more complete approach would show how to integrate our institutional analysis with the relevant aspects of Chinese culture.

China's transition toward a market system is at a critical moment. The success of the past fifteen years of reform is a tremendous asset, not only in terms of economic benefits achieved, but also in terms of political institutions restructured. On the other hand, the institutional foundation underpinning a secure market system in China is far from rationalized and secure. We have discussed problems that arise from too weak a central government: internal trade barriers and soft budget constraints of various levels of government are just two phenomena that reflect such a problem. It is fortunate for China's economic success that both are less a problem for the township and village levels of government of China. There are, however, problems from a central government that is too strong, and this is the danger of recentralization per se. Without further institutional constraints, a financially independent central government would pose potential dangers to the reform's progress over the past fifteen years, especially if run by leaders far less favorable to the reforms than Deng Xiaoping.

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NEOLIBERALISM AND THE TRANSFORMATION OF POPULISM IN LATIN AMERICA

The Peruvian Case

By KENNETH M. ROBERTS*

CONTEMPORARY Latin American scholarship has been confronted by a novel paradox—the rise of personalist leaders with broad-based support who follow neoliberal prescriptions for economic austerity and market-oriented structural adjustments. Leaders like Fujimori and Menem have been difficult to characterize and interpret, as their personalistic style of leadership evokes images of populist leaders of the past, but their economic policies diverge sharply from the statist and distributive (or redistributive) emphases of traditional populism.

This paradox may be more apparent than real, however, since it rests upon a widespread presumption that neoliberalism and populism are antinomies that represent fundamentally divergent economic projects. It also reflects the belief (or hope?) that populism corresponded to an earlier phase of socioeconomic development—one usually associated with import substitution industrialization—that has been eclipsed by the debt crisis and the neoliberal revolution. However, several recent works have noted a coincidence between neoliberal economics and populist politics,[1] raising basic questions about the meaning of populism and its relationship to different economic models. Is populism re-

* The author would like to thank Kurt Weyland, Karen Remmer, Gilbert Merkx, Robert Kaufman, Philip Oxhorn, and Steve Levitsky for helpful comments on earlier drafts of this article.

[1] See, for example, Luiz Carlos Bresser Pereira, José María Maravall, and Adam Przeworski, *Economic Reforms in New Democracies: A Social Democratic Approach* (Cambridge: Cambridge University Press, 1993), 10; Denise Dresser, *Neopopulist Solutions to Neoliberal Problems: Mexico's National Solidarity Program* (San Diego: Center for U.S.-Mexican Studies, 1991); Carmen Rosa Balbi, "Del Golpe de 5 de Abril al CCD: Los Problemas de la Transición a la Democracia," *Pretextos* 3–4 (December 1992), 53–55; Julian Castro Rea, Graciela Ducatenzeiler, and Philippe Faucher, "Back to Populism: Latin America's Alternative to Democracy," in Archibald R. M. Ritter, Maxwell A. Cameron, and David H. Pollock, eds., *Latin America to the Year 2000: Reactivating Growth, Improving Equity, Sustaining Democracy* (New York: Praeger, 1992), 145; and Kurt Weyland, "Neo-Populism and Neo-Liberalism in Latin America: Unexpected Affinities" (Paper presented at the annual meeting of the American Political Science Association, New York, September 1–4, 1994).

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silient enough to adapt to the socioeconomic and political conditions of a new era in Latin America, or is it inextricably associated with an earlier phase or model of socioeconomic development? And if populism has not been extinguished, is it possible to reconcile its essential features with those of its putative antithesis, neoliberalism?

Although previous works have argued persuasively that populism is a recurring phenomenon, rather than a period-specific historical anomaly,[2] there is still a tendency to associate it with statist and redistributive policies that are antithetical to neoliberalism. As such, the specter of populism in contemporary Latin America is usually equated with a lower-class backlash against the austerity, inequalities, and market insecurities attendant on neoliberalism.[3] Likewise, presidents and finance ministers who implement IMF-approved stabilization plans routinely pledge to resist the "populist temptation"—that is, the politically expedient but fiscally "irresponsible" increase of government spending to ameliorate the social costs of market reforms. The possibility that populist tendencies could arise *within*—rather than *against*—a neoliberal project has yet to be fully explored.

Drawing from an analysis of the Fujimori regime in Peru, this study suggests the emergence of new forms of populism that are compatible with and complementary to neoliberal reforms in certain contexts. This new, more liberal variant of populism is associated with the breakdown of institutionalized forms of political representation that often occurs during periods of social and economic upheaval. Its emergence demonstrates that populism can adapt to the neoliberal era and that it is not defined by fiscal profligacy; indeed, even when constrained by fiscal austerity and market reforms, personalist leaders have discovered diverse political and economic instruments to mobilize popular sector support when intermediary institutions are in crisis.

To understand this transformation of populism in the neoliberal era, a framework is needed for the comparative analysis of different expressions or subtypes of populism. This framework should help identify change and continuity in populist phenomena, while facilitating analysis of the conditions that spawned the unconventional partnership be-

[2] Ernesto Laclau, *Politics and Ideology in Marxist Theory* (London: NLB, 1977), 153; Robert H. Dix, "Populism: Authoritarian and Democratic," *Latin American Research Review* 20, no. 2 (1985); Gamaliel Perruci, Jr., and Steven E. Sanderson, "Presidential Succession, Economic Crisis, and Populist Resurgence in Brazil," *Studies in Comparative International Development* 24 (Fall 1989); and Cynthia Sanborn, "The Democratic Left and the Persistence of Populism in Peru, 1975–1990" (Ph.D. diss., Harvard University, 1991).

[3] See Sergio Zermeño, "El Regreso del Líder: Crisis, Neoliberalismo, y Desorden," *Revista Mexicana de Sociología* 51 (October–December 1989); or Jorge Castañeda, *Utopia Unarmed: The Latin American Left after the Cold War* (New York: Vintage Books, 1993), 49–50.

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tween neoliberalism and populism in Peru. The following section develops a comparative framework that can be applied to both the Peruvian case and other examples of populism, whether of liberal or statist orientation. This framework suggests that intertemporal and cross-regional generalizability could be enhanced by decoupling the populist concept from any specific phase or model of development.

Competing Perspectives on Populism

The analysis of potential linkages between populism and neoliberalism is highly contingent upon the conceptualization of populism. Unfortunately, few social science concepts can match populism when it comes to nebulous and inconsistent usage; like the proverbial blind man trying to describe an elephant by feeling its individual parts, conceptions of populism are shaped by selective attention to its multiple components, as well as by national or regional particularities. These multiple dimensions have allowed the populist concept to be applied to a wide range of loosely connected empirical phenomena, ranging from economic policies and development phases to political ideologies, movements, parties, governments, and social coalitions.[4]

Within this mélange, four principal perspectives on populism can be identified in the Latin American literature: (1) the historical/sociological perspective, which emphasizes the multiclass sociopolitical coalitions that typically arise during the early stages of industrialization in Latin America;[5] (2) the economic perspective, which reduces populism to fiscal indiscipline and a set of expansionist or redistributive policies adopted in response to pressures of mass consumption;[6] (3) the ideological perspective, which associates populism with an ideological discourse that articulates a contradiction between "the people" and a "power bloc";[7] and (4) the political perspective, which equates populism

[4] Different conceptions of populism are discussed in Margaret Canovan, *Populism* (New York: Harcourt Brace Jovanovich, 1981).

[5] Prominent examples include Gino Germani, *Política y Sociedad en una Epoca de Transición: De la Sociedad Tradicional a la Sociedad de Masas* (Buenos Aires: Editorial Paidos, 1968); and Gino Germani, Torcuato S. di Tella, and Octavio Ianni, *Populismo y Contradicciones de Clase en Latinoamerica* (Mexico City: Ediciones Era, S.A., 1973).

[6] The best representatives include Jeffrey Y. Sachs, *Social Conflict and Populist Politics in Latin America* (San Francisco: ICS Press, 1990); and Rudiger Dornbusch and Sebastian Edwards, "The Macroeconomics of Populism," in Dornbusch and Edwards, eds., *The Macroeconomics of Populism in Latin America* (Chicago: University of Chicago Press, 1991). Limitations of the economistic interpretation are discussed in Eliana Cardoso and Ann Helwege, "Populism, Profligacy, and Redistribution," in Dornbusch and Edwards.

[7] The best representative of the ideological perspective Ernesto Laclau (fn. 2), chap. 4. See also Canovan (fn. 4), 294.

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with a pattern of top-down mobilization by personalist leaders that bypasses or subordinates institutional forms of political mediation.[8]

Taken in isolation, each perspective is limited either by a static tendency to bind the populist concept to a particular stage in history, thus denying its dynamic and adaptive properties, or by a reductionist tendency to transform a complex, multidimensional phenomenon into a unidimensional one. The historical/sociological perspective, for example, captures much of the richness and complexity of populism, but weds it to a particular stage in the socioeconomic and political development of Latin American societies. For writers like Germani and Ianni, populism corresponded to a transitional stage on the path between traditional and modern societies, when the breakdown of the oligarchic order in the 1930s allowed newly mobilized urban working and middle classes to be incorporated into the political process. Even scholars from the Marxist and dependency traditions who did not adopt this functionalist orientation shared a basic conception of populism as a multiclass political movement corresponding to the stage of import substitution industrialization (ISI).[9] According to this interpretation, the statist and nationalist policies of ISI allowed populist leaders to build cross-class alliances between urban labor, the middle sectors, and domestic industrialists. However, the "exhaustion" of ISI strategies after the 1950s eroded the material foundations for multiclass coalitions, accentuating class conflicts and spawning new forms of exclusive authoritarianism to demobilize popular sectors.[10] More recently, it has been argued that the viability of populism has diminished as a result of the debt crisis and neoliberal adjustments, which have undermined the fiscal base of distributive programs and emasculated labor unions and other collective actors whose economic interests defined traditional populist agendas.[11]

[8] See, for example, the definition offered by Julio Cotler, in Carlos Franco, Julio Cotler, and Guillermo Rochabrún, "Populismo y Modernidad," *Pretextos* 2 (February 1991), 105. See also Castro Rea, Ducatenzeiler, and Faucher (fn. 1), 126; and Nicos Mouzelis, "On the Concept of Populism: Populist and Clientelist Modes of Incorporation in Semi-Peripheral Polities," *Politics and Society* 14, no. 3 (1985).

[9] The "structural approach" of Carlos M. Vilas is unusually explicit in this regard, as it interprets populism as a strategy for accumulation corresponding to "the first stage of the growth of national industry and the consolidation of the domestic market"; see Vilas, "Latin American Populism: A Structural Approach," *Science and Society* 56 (Winter 1992–93), 411.

[10] Several of the most influential works on twentieth-century Latin American politics adopt variants of this interpretation; see Guillermo O'Donnell, *Modernization and Bureaucratic-Authoritarianism* (Berkeley: Institute of International Studies, 1973), chap. 2; and Fernando Henrique Cardoso and Enzo Faletto, *Dependency and Development in Latin America* (Berkeley: University of California Press, 1979), chaps. 5, 6. See also Michael L. Conniff, "Introduction: Toward a Comparative Definition of Populism," in Conniff, *Latin American Populism in Comparative Perspective* (Albuquerque: University of New Mexico Press, 1982).

[11] See, for example, Robert R. Kaufman and Barbara Stallings, "The Political Economy of Latin American Populism," in Dornbusch and Edwards (fn. 6), 31–32; and the "Comment" by Paul Drake in the same volume, 40.

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However helpful for understanding the rise and fall of classical populism in Latin America, evolutionary theories of developmental stages conceptualize populism in a way that is static and spaciotemporally bounded—as a fixed stage in a sequential pattern of development that has already moved on to more advanced levels in Latin America and may not have clear parallels in other regional experiences. As such, they provide little insight into kindred phenomena in other development contexts,[12] and they fail to identify the social conditions or coalitions that could generate new forms of populism in the post-ISI era. Likewise, they do not anticipate adaptations in populist expressions that would allow significant forms of continuity under changing social and economic conditions.

Alternatively, the economic and ideological perspectives skirt the problem of multidimensionality by prioritizing a single component of populism. The economic approach, for example, equates populism with expansionist or redistributive economic policies that are untempered by fiscal considerations. Accordingly, this perspective purges the populist concept of its political and sociological content beyond the desire of populist leaders to build political support by enhancing mass consumption. It is also less bound to any particular phase of development, because it treats fiscal laxity as a permanent temptation facing governments of diverse ideological orientations within the context of Latin America's social inequalities and distributive conflicts.[13] The narrowness of this reductionist and economistic approach makes it at once too elastic and too restrictive. Its elasticity allows the populist epithet to be hurled at virtually any government, from that of Allende to that of Sarney, which fails to extract resources commensurate with its spending commitments, whether or not it possesses a populist social coalition or leadership style.[14] Conversely, its restrictiveness excludes contemporary political phenomena that have striking parallels with classical populism, but coexist with a different type of economic project, whether out of ideological conviction or due to fiscal constraints. In particular, it defines away forms of clientelism and other economic instruments for mobilizing lower-class political support that do not rely upon inflationary wage increases or deficit spending.

[12] This holds true not only for liberal variants of populism in contemporary Latin America but also for rural manifestations of populism in Russia and the United States in the late nineteenth century.

[13] The hypothesis linking populism to social inequality and distributive conflict is most fully elaborated by Sachs (fn. 6). A good discussion of class and sectoral distributive conflicts can also be found in Kaufman and Stallings (fn. 11), 19–22.

[14] Warnings of excessive elasticity have also been made by Drake (fn. 11), 38; and Cardoso and Helwege (fn. 6).

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Finally, the political perspective focuses attention on the deinstitutionalization of political authority and representation under populism—that is, on the direct, paternalistic relationship between personalist leaders and their heterogeneous mass of followers, which numerous scholars see as a central feature of classical populism.[15] This perspective is essential for understanding new forms of populism in contemporary Latin America that both exploit and accelerate the erosion of institutionalized forms of political representation in countries like Peru. However, it does not explain how some of Latin America's classical populist figures, such as Cardenas and Haya de la Torre, combined personalist leadership with significant forms of institution building. A unidimensional political perspective may also find it difficult to explain the successful generation and reproduction of popular support, even by a charismatic leader. Populist leaders may be able to mobilize support by articulating political issues or symbols such as the fight against corruption, the extension of citizenship rights,[16] or the need for "the people" to challenge entrenched bureaucrats and political elites. As such, populist economic measures are *not* a necessary condition for populist authority relations.[17] Nevertheless, in a region of profound inequalities and widespread economic insecurity, most populist expressions will try to establish a material foundation to cultivate lower-class support. This is a challenge for any conception of populism that is extended to a neoliberal project, and it is the principal reason why populism is presumed to be incompatible with neoliberalism.

These competing perspectives can produce radically different interpretations of the same phenomenon. For example, writing essentially from an economic perspective, Kaufman and Stallings argue that the electoral platform of Brazil's leftist leader Lula in 1989 was populist, whereas the conservative Fernando Collor represented an "antipopulist" project.[18] However, a political perspective could easily lead to the conclusion that Collor was the populist; whereas Lula's candidacy was grounded in the institutional support of party, labor, and civic associations, Collor was an archetypal personalist leader of the atomized and unorganized poor.[19]

[15] See, for example, Carlos de la Torre, "The Ambiguous Meanings of Latin American Populisms," *Social Research* 59 (Summer 1992), 396–99; and Conniff (fn. 10), 21–22. Paul W. Drake acknowledges the importance of this element but warns that populism cannot be reduced to it; see Drake, "Conclusion: Requiem for Populism?" in Conniff (fn. 10), 220–23.

[16] Germani (fn.5), 325–27, for example, argues that Peron's working-class support was based less on tangible material rewards than on perceived gains in personal power and citizenship rights.

[17] The author is indebted to Philip Oxhorn for clarifying this point.

[18] Kaufman and Stallings (fn. 11), 33.

[19] See Weyland (fn. 1), 13.

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Given the inconsistent meanings generated by these alternative perspectives, it is hardly surprising that scholars have questioned the utility of the populist concept for social science inquiry.[20] However, as Collier and Mahon warn, important empirical content can be lost when concepts are discarded prematurely as a result of ambiguity or an incomplete "fit" across cases.[21] The populist concept should be retained, but conceptualized synthetically, as there are no clear theoretical or empirical grounds for adopting an essentialist perspective that prioritizes any single property of this multidimensional phenomenon. An integral, prototypical populist experience such as that of Argentina under Peron would thus aggregate the core features from the four perspectives outlined above. By disaggregating, it is then possible to identify populist subtypes that share a "family resemblance" and manifest some but not all of the core attributes. For example, the reductionist notion of economic populism could signify a subtype that incorporates core economic properties, but not all of the pertinent social and political attributes.

To facilitate comparative analysis of different populist expressions, a synthetic construction of populism can be founded on the following five core properties that are derived from these competing perspectives.

1. a personalistic and paternalistic, though not necessarily charismatic, pattern of political leadership
2. a heterogeneous, multiclass political coalition concentrated in subaltern sectors of society
3. a top-down process of political mobilization that either bypasses institutionalized forms of mediation or subordinates them to more direct linkages between the leader and the masses
4. an amorphous or eclectic ideology, characterized by a discourse that exalts subaltern sectors or is antielitist and/or antiestablishment
5. an economic project that utilizes widespread redistributive or clientelistic methods to create a material foundation for popular sector support

[20] See Ian Roxborough, "Unity and Diversity in Latin American History," *Journal of Latin American Studies* 16 (May 1984), 14.

[21] David Collier and James E. Mahon, Jr., "Conceptual 'Stretching' Revisited: Adapting Categories in Comparative Analysis," *American Political Science Review* 87 (December 1993), 846. Their suggestion to treat problematic concepts as "radial categories" provides a potential escape from the conceptual morass that plagues the study of populism, and it guides the reformulation that follows. A radial category is anchored in a prototypical case that incorporates a bundle of core elements or properties. Secondary categories (or subtypes) are variants of the prototypical case that share some (but not all) of its defining attributes and have no necessary connection to one another. Radial categories have three principal methodological advantages in this context: (1) they allow aggregation of the distinct properties of multidimensional concepts; (2) they provide precise specification, while still allowing a concept to be extended across cases that approximate the prototype in varying degrees, and (3) they facilitate the identification of distinct subtypes within a particular category.

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These core properties are consistent with the classic cases of populism from the import substitution phase of development, and they closely follow the multidimensional conceptualizations of authors like Conniff, Drake, and De la Torre. However, a number of subtle modifications enable these properties to transcend spaciotemporal boundaries and travel more easily to the social and economic terrain of contemporary Latin America, as well as to non-Latin American contexts. The inclusive notion of "subaltern sectors" is more appropriate than the conventional focus on the working class, given the increasing informality and heterogeneity of the workforce and the diminished political centrality of organized labor in Latin America. Likewise, an antielitist and/or antiestablishment discourse allows for mobilizing ideologies that are directed against an entrenched political class (or the institutions that they embody),[22] as well as traditional oligarchs or economic elites. Finally, the emphasis on direct relationships between leaders and followers highlights the weakness of institutionalized channels of political representation in contexts where populism is likely to emerge.

Although these core properties focus primarily on the political and sociological dimensions of populism, they maintain its economic content without binding the concept to any specific phase or model of development. This conceptualization presumes that populist leaders tend to design economic policies to build or sustain political support by providing material benefits to subaltern groups. The specifics of macroeconomic policy are variable, however; they may be market or state oriented, open or closed to international competition, fiscally lax or disciplined, and progressive or regressive in their overall distributive effect. This flexibility enables the populist concept to travel across different development strategies, recognizing that there exist multiple and diverse economic instruments for the cultivation of lower-class support.

But does this reconceptualization allow populism to coexist with neoliberalism, which for both economic and political reasons is presumed to be antithetical to populism? Economically, its free-market orientation contrasts with the statist and interventionist policies of classical populism, which relied heavily upon a proprietary state, protected industries, and price controls or subsidies. Likewise, the fiscal austerity and international economic integration advocated by neoliberalism clash with the mass consumption and economic nationalism of classical populism. Finally, neoliberalism has generally redistributed in-

[22] This aspect of populism is discussed in Canovan (fn. 4), chap. 7.

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come upward rather than downward, at least in its initial stages. Indeed, in the drive to create more "flexible" labor markets, it has often harmed the working-class constituency of classical populism by lowering wages, reducing formal sector employment, and emasculating workers' legal protections. The primary beneficiaries of neoliberalism—and presumably its core sociopolitical constituency—are thus conventionally seen as more elitist and exclusive than those of populism.

Moreover, neoliberalism is thought to have a very different political logic than populism—one that rejects any sort of rent-seeking behavior by the "redistributive combines" in civil society that specialize in extracting resources or economic privileges from the state.[23] Populism is widely alleged to reflect the inability of the state to resist the competing claims of organized class or sectoral groups; indeed, it is often equated with the efforts of personalist leaders to inflate societal demands for their own political gain. In contrast, neoliberalism often relies upon technocratic decision making, which helps to insulate the state from societal demands and to subject individual economic agents to the competitive logic and discipline of the marketplace. As the state retreats from welfare, redistributive, and integrative functions, it is left largely to the market to process conflicting individual and collective demands.

However, these perspectives rest upon stage theories or narrow economic interpretations of populism, and they have two principal limitations. First, they emphasize economic demands in the genesis of populism to the neglect of authority relations. As such, they fail to recognize that by weakening or circumventing organized interests and institutional forms of representation—the alleged purveyors of populism—the stage is cleared for the direct, unmediated mobilization of atomized masses by personalist leaders. As the Peruvian case shows, both neoliberal adjustments and the economic crises that precede them have weakened organized labor and political parties, the classic forms of institutional representation for subaltern sectors. They have thus created a political context where populist leadership is likely to thrive, that is, one in which autocratic authority is suspended above organized interests and institutionalized forms of accountability.[24]

Second, arguments that see neoliberalism and populism as inherently incompatible ignore not only the variability of populist (and neoliberal) economic formulas but also the ingenuity of leaders who need to main-

[23] The classic critique of redistributive combines is Hernando de Soto, *The Other Path: The Invisible Revolution in the Third World* (New York: Harper and Row, 1989), chap. 6.

[24] See Guillermo O'Donnell, "Delegative Democracy," *Journal of Democracy* 5 (January 1994); and Bresser Pereira, Maravall, and Przeworski (fn. 1), 10.

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tain political support while implementing structural adjustments. Classical populism used a mixture of selective and universal measures as economic levers to cultivate popular support. In a context of fiscal austerity, neoliberal adjustments may preclude some generalized material benefits such as higher wages or subsidized consumer goods, both instruments commonly used by classical populists. However, political dividends may be derived from the alleviation of hardships inflicted by hyperinflation upon the most vulnerable sectors of society. Moreover, neoliberal adjustments may facilitate the provision of more selective, targeted material benefits to specific groups, which can be used as building blocks for local clientelist exchanges. Targeted programs have a more modest fiscal impact than universal measures, but their political logic can be functionally equivalent, as both attempt to exchange material rewards for political support.

Besides their lower cost, targeted programs have the advantage of being direct and highly visible, allowing government leaders to claim political credit for material gains. By allowing leaders to personally inaugurate local projects or "deliver" targeted benefits, selective programs are highly compatible with the personalistic leader-mass relationships of populism. Much like Olson's argument that selective incentives provide more powerful inducements to collective action than do public goods,[25] selective benefits may create stronger clientelist bonds than universal benefits, especially politically obscure ones like permanent price subsidies or exchange controls. Selective rewards bestowed upon a particular community or group provide powerful inducements for an exchange of political support, creating localized reciprocal relationships where paternalism and clientelism thrive. In short, leaders may seek to establish a material foundation for populism at the microlevel even where macrolevel policies are apparently exclusive or antipopular.

The Peruvian case suggests that a strict neoliberal project at the macrolevel may be compatible not only with populist-style political leadership but also with populist economic measures at the microlevel. This amalgam is not exempt from contradictions, and it is far from certain that it will prove effective over the long term in reproducing a popular political constituency to undergird a neoliberal project. However, the existence of such an unexpected amalgam and its indisputable short-term political success warrant closer examination.[26]

[25] Mancur Olson, *The Logic of Collective Action* (Cambridge: Harvard University Press, 1971).

[26] As of this writing (April 1995), President Alberto Fujimori has translated public approval ratings of over 60 percent into a landslide first-round reelection in his presidential contest with former United Nations Secretary General Javier Perez de Cuellar and twelve other candidates.

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The Transformation of Populism in Peru: An Analysis of *Fujimorismo*

At first glance, Peru appears to offer a classic case of what Drake calls "bait and switch" populism[27]—that is, personalist leaders who campaign on a populist platform, only to switch abruptly to neoliberal policies following election. However, the about-face in economic policies does not necessarily signify a complete abandonment of populism, nor the sacrifice of political support from popular sectors. Although Peru's economic crisis and the neoliberal revolution imposed novel constraints upon populism, they did not extinguish it, as new forms of populist expression emerged in the political vacuum bequeathed by the collapse of the party system.

Indeed, the political career of Alberto Fujimori is a testament to the malleability of populism. Since Fujimori's meteoric rise to political prominence in 1990, three populist features have been constant: a personalistic style of leadership, a heterogeneous social constituency with widespread lower-class support, and the absence of institutionalized forms of political mediation between the leader and his followers. However, the ideological and economic formulas used to generate (or sustain) this popular support have changed over time, with three distinct phases identifiable. The first phase was associated with Fujimori's electoral campaign, when his populist formula cultivated a "man of the people" image and proposed a gradualist economic program to avoid the social consequences of a neoliberal "shock." During the second phase, which covered roughly Fujimori's first two years in office, economic populism essentially disappeared, but a populist constituency was sustained through attacks on the political establishment. The third phase, which began in the period following Fujimori's April 1992 "presidential coup" (the *autogolpe*) and continued through his 1995 reelection campaign, was characterized by a resurgence of economic populism at the microlevel. These three phases highlight the diversity of populist instruments, as well as their transformation in the neoliberal age.

Phase 1: From Outsider to the Presidency

A virtual unknown a mere month before the first round of the April 1990 presidential election, Fujimori surged to victory by capitalizing on the crisis of established parties and running against the neoliberal

[27] Drake (fn. 11), 36.

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"shock" program promised by the conservative novelist and overwhelming favorite Mario Vargas Llosa, who had the backing of Peru's traditional elite.[28] Indeed, Fujimori built his political base on the rubble left by the collapse of more traditional populist experiments, namely, those of incumbent president Alan García and leftist leader Alfonso Barrantes. García inherited the leadership of APRA, Latin America's oldest populist party, following the death of the party's founder and longtime leader Victor Raul Haya de la Torre.[29] The young, charismatic García cultivated an enormous personal following and in 1985 led APRA to the presidency for the first time in its history. His support grew as he pledged to limit debt service payments, then implemented a heterodox program of wage hikes, price controls, and tax breaks in order to stimulate aggregate demand and lift Peru out of recession, thus generating a short-lived economic boom. However, García and APRA were devastated politically as foreign exchange constraints and government deficits led to hyperinflation, the collapse of real wages, and a 25 percent contraction of the Peruvian economy between 1988 and 1990.[30]

The demise of *Aprismo* seemed to open new political space for the United Left (IU) coalition, the strongest electoral force on the South American left for most of the 1980s, and APRA's principal competitor for lower-class support.[31] However, long-standing conflict between moderates and radicals culminated in a division of the IU in 1989 and the collapse of the left as a serious electoral force. IU moderates wanted to support Barrantes, an independent leftist and former mayor of Lima, as a presidential candidate, believing his personal appeal would expand the coalition's electoral constituency among centrist and independent voters. In contrast, more radical parties in the IU viewed Barrante's populist tendencies as an impediment to the development of a more institutionalized left-wing alternative, and they rejected his conciliatory call for a multilateral "national accord" to buttress Peru's tentative

[28] For an analysis of Fujimori's victory, see Carlos Ivan Degregori and Romeo Grompone, *Elecciones 1990: Demenios y Redentores en el Nuevo Perú* (Lima: Instituto de Estudios Peruanos, 1991). Fujimori's meteoric rise to prominence was not the first symptom of the crisis in Peru's system of partisan representation; it was preceded in 1989 by the populist-style election of the independent television personality Ricardo Belmont as mayor of Lima.

[29] The populism of APRA and Haya de la Torre is discussed in Steve Stein, *Populism in Peru: The Emergence of the Masses and the Politics of Social Control* (Madison: University of Wisconsin Press, 1980).

[30] The collapse of García's heterodox program is analyzed in Mañuel Pastor, Jr., and Carol Wise, "Peruvian Economic Policy in the 1980's: From Orthodoxy to Heterodoxy and Back," *Latin American Research Review* 27, no. 2 (1992).

[31] Both APRA and the IU garnered substantial support from workers and the urban poor in the 1980s; see Maxwell A. Cameron, *Democracy and Authoritarianism in Peru: Political Coalitions and Social Change* (New York: St. Martin's Press, 1994), chaps. 2, 3.

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democracy against the economic crisis and the Shining Path guerrilla insurgency. Hoping to marginalize the radical left, Barrantes and his supporters broke with the IU in 1989, gambling that an independent candidate who promised economic relief and political "concertation," or accommodation, could capture the floating mass of centrist and center-left voters who were seeking a viable alternative to the discredited APRA and the neoliberal "shock" of Vargas Llosa.

Barrantes figured right, except that the independent candidate favored by these voters was a political novice and outsider, Alberto Fujimori, rather than the familiar populist of the Peruvian left.[32] In effect, Fujimori won the election using Barrantes's game plan: a personalist campaign that avoided partisan obligations, an appeal to lower-class and unattached voters, and an emphasis on political concertation rather than a neoliberal shock as the solution to the national crisis. After finishing a close second to Vargas Llosa in the first round of the election, Fujimori crushed his conservative rival in the second round by picking up the support of leftist and *Aprista* voters.

In order to avoid alienating voters, Fujimori eschewed ideological definition and cultivated the image of the untainted leader who was above the fray of partisan politics. He thus claimed to represent the interests of common people against the sectarianism and self-interested machinations of traditional politicians. While campaigning against the shock treatment promised by Vargas Llosa, he said little about his own program beyond espousing a vague commitment to a concertationist strategy to address social and economic problems. His campaign slogan of "honesty, technology, and work" contrasted with the demagoguery of traditional politicians and evoked images of probity, efficiency, and technocratic modernization, rather than ideological motivation. This lack of ideological definition was ideal for attracting unattached, lower-class voters with predominantly centrist or uncertain political orientations.[33]

Given the delegitimation of Peru's creole political elite, Fujimori's Japanese heritage was an asset rather than an obstacle in this process of image building. Besides spawning hopes for an infusion of Japanese capital, it allowed him to benefit from popular stereotypes of the Japanese immigrant community as a hardworking and successful minority

[32] Barrantes, who had led polls of voter preferences in 1988 before the division of the IU, finished fifth in the first round of the election with a disastrous 4.8% of the vote. IU candidate Henry Pease received 8.2%, compared with 22.6% for APRA candidate Luis Alva Castro, 29.1% for Fujimori, and 32.7% for Vargas Llosa.

[33] For a discussion of these orientations, see the spatial analysis of the Peruvian electorate in Cameron (fn. 31), chap. 6.

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group, and to portray himself as a political outsider of humble origins who had risen through personal talent and initiative. Efforts by some of Vargas Llosa's supporters to stir up nationalist sentiments against Fujimori backfired, as Fujimori took advantage of the profound cultural cleavage between Peruvians of European descent and those of indigenous descent. Indeed, Fujimori's facial features, migratory experience, and modest origins were more reminiscent of Peru's *mestizo* and indigenous majority than those of the Europeanized Vargas Llosa.[34] Fujimori, then, cultivated a double image: as a political outsider who was untainted by an association with established institutions[35] and as a leader who had emerged from the common people to offer a fresh alternative. Consequently, while the urbane Vargas Llosa obtained the backing of conservative parties and the coastal creole elite, Fujimori swept the Andean highlands and the sprawling urban lower-class districts populated by the *mestizo* and indigenous majority. In so doing, he earned votes that had previously gone to APRA or the IU, and he took most of the floating, independent votes in the political center that were generally decisive in Peruvian elections.[36]

In short, along with his vague promise to avoid a harsh economic stabilization program, Fujimori's personal qualities were central to the heterogeneous political support that he garnered. Fujimori's relationship to his supporters during the campaign was direct and highly personalistic; to highlight his background as an agronomist, he traversed the Andean higlands and urban shantytowns on a tractor, and he ate in public marketplaces among the masses. Institutional mediation was exceptionally weak; Fujimori's "party," Cambio 90, was cobbled together shortly before the election from personal acquaintances in business and academic circles, after Fujimori had failed to obtain a position on the senatorial list of the pro-Barrantes Izquierda Socialista.[37] Fujimori's running mates were drawn from a federation of small businesses and a Protestant organization, but relations with these groups frayed quickly after his election to the presidency.

[34] See Aldo Panfichi, "The Authoritarian Alternative: 'Anti-Politics' among the Popular Sectors of Lima," in Carlos Vilas, Katherine Roberts-Hite, and Monique Segarra, eds., *Rethinking Participation in Latin America* (forthcoming).

[35] The advantages of being an outsider in a time of institutional crisis are perhaps best captured in an anecdote told by Alma Guillermoprieto in *The Heart That Bleeds: Latin America Now* (New York: Alfred A. Knopf, 1994), 81. A market vendor was approached by a prominent leftist leader who asked why she was displaying a poster of Fujimori during the presidential campaign. She responded that she supported him "because he hasn't done anything yet."

[36] The social bases of Fujimori's victory are dissected in Cameron (fn. 31), chap. 5.

[37] Alberto Adrianzén, "Dispersión Política, Partidos y Rito Electoral," *Quehacer* 91 (September–October 1994), 5.

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Given Fujimori's campaign themes and political constituency, Peruvians were stunned when, within two weeks of his inauguration, the new president reversed course by adopting a stabilization program that was even tougher than that proposed by Vargas Llosa.[38] As shown below, this new economic model did not force Fujimori to abandon populism; it did, however, require significant modifications in the content of his populist message, with a deemphasis of the material components and the intensification of antiestablishment political themes.

Phase 2: Deinstitutionalization and the Politics of Antipolitics

When Fujimori assumed the presidency, he inherited an economy in its third year of four-digit hyperinflation, along with a prolonged recession that had plunged Peruvians' per capita income back to the levels of the late 1950s. In response, he imposed a draconian package of neoliberal reforms with three principal components. The first step was a stabilization program adopted in August 1990 to control inflation and capture revenues needed to renew payments of the debt service. Price subsidies, social spending, and public sector employment were slashed, interest rates and taxes on government services were increased, and exchange rates were unified, producing a de facto devaluation of the currency. A second set of institutional reforms, begun in February 1991, was designed to move beyond stabilization toward a market-based restructuring of the Peruvian economy. These reforms included the deregulation of financial and labor markets, a reduction and unification of tariffs, the privatization of public enterprises, and efforts to broaden the tax base and reduce tax evasion. Finally, these market reforms, improving fiscal health, and the resumption of debt-service payments allowed Peru's reintegration into international financial circuits, perhaps the foremost objective of Fujimori's economic plan.[39]

This structural adjustment was harsh medicine for an economy that had already suffered through a prolonged crisis, with devastating effects upon popular living standards. After losing 800,000 jobs in the 1988–89 economic crisis, employment declined by another 13.9 percent in

[38] The change in policy was encouraged by a trip that president-elect Fujimori made to the U.S. to meet with representatives of the IMF, the World Bank, and the Inter-American Development Bank. Following the resignation of the economists who advised Fujimori during his campaign, a new team—heavily influenced by neoliberal apostle Hernando de Soto—implemented the shock progam in early August 1990, shortly after Fujimori assumed the presidency.

[39] Overviews of Fujimori's economic reforms can be found in Efraín Gonzales de Olarte, "Peru's Economic Program under Fujimori," *Journal of Interamerican Studies and World Affairs* 35 (Summer 1993); and Carol Wise, "The Politics of Peruvian Economic Reform: Overcoming the Legacies of State-Led Development," *Journal of Interamerican Studies and World Affairs* 36 (Spring 1994).

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industry, 13.7 percent in services, and 21.8 percent in commerce in the first eighteen months under Fujimori.[40] Inflation, which had been running at about 40 percent per month, shot up to 398 percent in August 1990, before declining sharply to 3–5 percent per month in late 1992 and 1–2 percent per month in 1994. The number of Peruvians living in poverty rose to 54 percent of the population in the aftermath of the "Fujishock"; the percentage of the workforce considered underemployed or unemployed rose from 81.4 in 1990 to 87.3 in 1993; the informal sector grew from 45.7 percent of the workforce in 1990 to 57 percent in 1992; and real wages fell by 40 percent between 1990 and 1992, to 33 percent of the 1980 level in the private sector and 9 percent in the public sector. A decade-long trend toward increasing inequality also continued: the share of the national income represented by wages declined from 46.7 percent in 1980 to 19.9 percent in 1990 and 13 percent in 1992, whereas the share represented by profits rose from 25.9 percent in 1980 to 49.3 percent in 1990 and 54.5 percent in 1992.[41]

The severity of this stabilization plan, with its regressive distributive impact and firm commitment to austerity, makes it difficult to think of Fujimori as a populist figure. Indeed, supporters often praised his willingness to break with Peru's entrenched populist tradition.[42] However, upon closer examination it can be seen that Fujimori sustained his populist project through an astute manipulation of political and symbolic themes, even during a period when populist economic measures were notable for their absence.

Like classical populists, Fujimori's discourse was antielitist and antiestablishment. However, rather than targeting the traditional oligarchy for its economic dominance, Fujimori began a systematic attack on Peru's political elites and the establishment institutions they controlled—namely, the political parties, Congress, and the judiciary. This antiestablishment orientation was always present in Fujimori's status as a political outsider. It intensified, however, after he took office, lacking an organized political base of his own and having to confront alternative, independent institutions; and it peaked when the Congress posed more assertive challenges to his economic and security policies in late 1991 and early 1992. Consequently, Fujimori sought to mobilize pub-

[40] *Peru Country Profile, 1992–93* (London: Economist Intelligence Unit, 1992), 11.

[41] Data are taken from Denis Sulmont Samain, "Ajuste sin Reestructuración," *Cuadernos Laborales* 100 (May 1994), 8–12; and Eliana Chávez O'Brien, "El Mercado de Trabajo y las Nuevas Tendencias en la Estructura del Empleo en el Perú," *Socialismo y Participación* 60 (December 1992), 20.

[42] See Rafael Romero, *El Pragmatismo de Fujimori: Del Exceso Ideológico al Realismo Político* (Lima: Sediot S.A., 1992).

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lic opinion against what he called the *partidocracia*,[43] charging that the corruption, inefficiency, and sectarianism of entrenched party elites had brought Peru to the brink of economic collapse and civil war. He thus portrayed Peru's political establishment as a privileged, self-reproducing dominant class that threatened to block the implementation of economic reforms while placing partisan interests above the public good.

This "politics of antipolitics"[44] is a classic populist technique, by which a leader poses as the embodiment of national unity and the public interest against the dispiriting divisiveness of partisan or particular interests.[45] In Peru it resonated deeply with popular sentiments, as it capitalized on the delegitimation of institutions that had failed to contain the Shining Path insurgency or redress a deepening economic crisis. In 1989 only 43.5 percent of the individuals surveyed in lower-class sections of Lima said Peru had a democratic system, compared with 42 percent who said it was undemocratic.[46] By 1992 over 87 percent of respondents from lower-class sectors claimed that Congress and the judiciary had failed to fulfill their constitutional role.[47] In March 1992 only 12 percent of Peruvians expressed confidence in political parties, the lowest confidence level accorded any national institution.[48] This delegitimation of established institutions was so thorough that Fujimori received popular acclaim when he suspended the constitution, dissolved Congress and regional governments, and purged most of the judiciary in a military-backed *autogolpe* in April 1992.[49]

Popular struggle, therefore, was redefined by Fujimori: no longer "the people" versus "the oligarchy," it became instead "the people"—represented by their elected president—versus the "political class." For Fujimori, this political class comprised not only professional politicians and

[43] Fujimori's attacks on the party system and the generalized crisis of political representation in Peru are analyzed in Alberto Adrianzén Merino, "Democracia y Partidos en el Perú," *Pretextos* 3–4 (December 1992), 7–19.

[44] For an analysis of the "politics of antipolitics," see Panfichi (fn. 34).

[45] See Canovan (fn. 4), chap. 7.

[46] Walter Alarcón Glasinovich, "Clases Populares, Cultura Política y Democracia," *Socialismo y Participación* 54 (June 1991), 4.

[47] Sandro Macassi Lavander, "Cultura Política de la Eficacia: Qué Hay Tras la Discusión Dictadura-Orden Constitucional?" *Socialismo y Participación* 58 (June 1992), 70–71.

[48] Apoyo S.A., *Informe de Opinion* (September 1992), 32. One study of the urban poor found that only 1.5% belonged to a political party, while 94% claimed that "the people have always been deceived by politicians"; see Jorge Parodi and Walter Twanama, "Los Pobladores, la Ciudad y la Política: Un Estudio de Actitudes," in Parodi, ed., *Los Pobres, La Ciudad y la Política* (Lima: Centro de Estudios de Democracia y Sociedad, 1993), 68–70.

[49] Fujimori's public approval rating jumped from 59% of the population to 82% during the week of his *autogolpe*; see Apoyo S.A. (fn. 48), 8. For an analysis of this support, see Balbi (fn. 1). An excellent account of the changes in the Peruvian state associated with the *autogolpe* is provided in Philip Mauceri, "State Reform, Coalitions, and the Neoliberal Autogolpe in Peru," *Latin American Research Review* 30, no. 1 (1995).

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political parties, but virtually any organized interest group in the public domain, including those spawned by previous waves of populist mobilization. Therefore, in contrast to most classical populist experiences, the organized labor movement was not a central component of Fujimori's multiclass, catch-all coalition. Although Fujimori obtained backing from the major labor federations in the second-round election against Vargas Llosa, their organizational autonomy and political ties to the United Left made them uncertain allies. Indeed, organized labor turned quickly into a bitter opponent of Fujimori after his sudden embrace of neoliberal economics. Three failed national strikes, however, demonstrated organized labor's impotence in resisting the structural changes proposed by Fujimori. A bulwark of the protest movement that undermined military rule in the late 1970s, organized labor was then decimated by a decade of economic crisis that produced widespread factory layoffs, rising underemployment, and an informalization of the workforce. By 1991 the level of unionization had fallen by one-third to 12 percent of the workforce,[50] while over half of the economically active population in Lima worked in the informal sector and 49 percent of salaried workers in the private sector had temporary contracts.[51]

In short, structural changes in the Peruvian economy had fragmented and atomized the workforce, obstructing organizational efforts that relied upon class-based collective interests and identities. These changes made organized labor less broadly representative of diverse working-class interests, and it ceased to be the axis of popular political movements.[52] Fujimori's economic model was therefore able to challenge the interests of a politically prostrate labor movement at relatively little cost—through wage cuts, decreased public and private sector formal employment, and changes in the labor law that emasculated collective rights.[53] Indeed, Fujimori had more to gain politically by aiming his message at the burgeoning microenterprise and informal sectors; they incorporated nearly five times as many people as the labor unions, and their ambiguous class identities, malleable political loyalties, and lack of autonomous organizational power facilitated personalist mobilization. As Franco has argued, Peru's urban masses have favored a long succession of highly differentiated populist figures in the absence of au-

[50] *Foreign Labor Trends: Peru* (Washington, D.C.: U.S. Department of Labor, 1991), 7.

[51] Sulmont Samain (fn. 41), 11.

[52] In particular, unions staunchly defended legal rights to employment security in response to widespread layoffs and government efforts to make the labor market more "flexible." Such concerns were of limited interest to the more numerous informal and temporary contract workers.

[53] The impact of neoliberal reforms on the labor movement is analyzed in Carmen Rosa Balbi, "Miseria del Sindicalismo," *Debate* 15 (November 1992–January 1993), 38.

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tonomous and institutionalized forms of political representation.[54] Given the collapse of the state's capacity to deliver public services in the late 1980s, the urban masses were increasingly inclined to pursue individual rather than collective channels for advancement, and they were drawn to Fujimori's message of hard work, self-reliance, and efficiency. Fujimori thus selected running mates who were symbols of the self-made individual, and he cultivated the support of informals by promising to legalize street vendors and establish a bank to make loans to the informal sector.[55] He was rewarded with overwhelming political support.[56]

The most notable features, then, of *Fujimorismo* were its personalism, atomization, and lack of institutionalization. The crises of APRA and the United Left had undermined partisan identities and created an institutional vacuum that predisposed the popular sectors to follow personalist leaders. Likewise, the weakening of organized labor and the informalization of the workforce created a fragmented, heterogeneous mass electorate that lacked autonomous organizational power. Fujimori's government was thus largely suspended above organized interests in civil society; given the preference for direct, unmediated linkages between the personalist leader and an atomized mass electorate, no significant efforts were made to construct institutionalized partisan or corporatist channels of representation. Indeed, the armed forces—or, at least, sectors within them—became Fujimori's principal base of institutional support, as the president quickly demobilized Cambio 90 and broke with the leadership of the Protestant and small business groups that had initially supported him. Following the 1992 *autogolpe* Fujimori helped create a new movement among supportive technocrats; Nueva Mayoría was to sponsor a slate of candidates in elections for a constitutional assembly and was subsequently used by Fujimori to subordinate Cambio 90 even further.

In short, Fujimori owed his political ascendance to the crisis of Peru's representative institutions, and he actively encouraged political dispersion and atomization to enhance his personal authority. This is best seen, perhaps, in his decision to greatly ease requirements to field candidates in the 1993 municipal elections. Since mayoral candidates did not need to mobilize the support or resources of party organizations to

[54] Carlos Franco, *Imagenes de la Sociedad Peruana: La Otra Modernidad* (Lima: Centro de Estudios para el Desarrollo y la Participación, 1991). See also Parodi and Twanama (fn. 48).

[55] See Cameron (fn. 31), chap. 6.

[56] The support of informal sectors for Fujimori is analyzed in Carmen Rosa Balbi, "Modernidad y Progreso en el Mundo Informal," *Pretextos* 2 (February 1991).

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run for office, the result was a proliferation of independent candidacies and ephemeral political fronts. Predictably, there was a diffusion of smaller-scale populist experiences across the political spectrum; an extraordinary fifteen thousand independent lists ran in municipal races across the country,[57] capturing 73 percent of the vote nationwide.[58] By 1994 the institutional vacuum was so profound that 86 percent of the population claimed to be politically independent, with Cambio 90 receiving the highest level of public identification at 5 percent. Only 9 percent said they would vote for a candidate from a political party, with 77 percent claiming to prefer an independent.[59] The 1995 national elections confirmed that the Peruvian party system had essentially collapsed, as Fujimori and other independent candidates garnered 90 percent of the vote in the presidential race. Indeed, the traditional parties that had dominated Peruvian politics before 1900—the conservative Popular Action Party, the centrist APRA, and the United Left coalition—all lost their legal status after failing to obtain 5 percent of the vote.

Fujimori thus governed in a highly autocratic style, deliberately weakening or eliminating institutional checks on his authority, and allying himself with military officials to neutralize the only force that could threaten his regime. According to O'Donnell, such autocratic forms of authority—what he calls "delegative democracy"[60]—are found in societies where economic crises and institutional weaknesses allow personalist leaders to pose as the embodiment or savior of the nation. These leaders may then govern arbitrarily, unchecked by institutional constraints, campaign promises, or organized interests. In the absence of institutionalized accountability, they can reverse direction suddenly, with relatively little concern for political ramifications.

Bresser Pereira, Maravall, and Przeworski see neoliberalism as having a natural inclination toward such autocratic and technocratic forms of rule, given the need to evade or override the political opposition of organized interests that would be hurt by structural adjustments. Furthermore, they argue, autocratic neoliberalism encourages rather than suppresses populist behavior—understood as the immediate pursuit of particularistic interests—by weakening the social and political institutions that can mediate and contain particularistic demands.[61]

[57] Julio Cotler, *Descomposición Política y Autoritarismo en el Peru* (Lima: Instituto de Estudios Peruanos, 1993), 27.

[58] Maxwell A. Cameron, "Political Parties and the Informal Sector in Peru" (Paper presented at the Eighteenth Congress of the Latin American Studies Association, Atlanta, March 10–12, 1994), 23.

[59] *Semana Económica*, March 20, and April 24, 1994, p. 6.

[60] O'Donnell (fn. 24).

[61] Bresser Pereira, Maravall, and Przeworski (fn. 1), 10.

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This analysis of Peru goes further by suggesting that autocratic neoliberalism in and of itself may embody the core political and sociological elements of populism outlined above. By crafting an image as a man of the common people, articulating the life experiences and aspirations of an informalized workforce, and confronting a corrupt and elitist political establishment, Fujimori was able to sustain a populist coalition even during a period of severe economic hardship. The question remains, however, whether autocratic neoliberalism can craft populist economic measures to help reproduce lower-class political support. The third phase of *Fujimorismo* began after the 1992 *autogolpe* opened the possibility of a constitutional change to allow presidential reelection. It was marked by a systematic effort to reconstruct a material foundation for populism at the microlevel. Once reelection became a distinct possibility, Fujimori was no longer content to rely primarily upon political mechanisms in his populist formula; indeed, he discovered that structural adjustments could provide unexpected economic instruments and political space for populist leadership, despite the macrolevel constraints of economic austerity.

Phase 3: The Resurrection of Economic Populism under Neoliberalism

During Fujimori's first years in office, few economic instruments were available to ameliorate the social costs of the stabilization plan and sustain his initial base of popular support. The shock program of August 1990 had a severe impact on popular living standards; it was administered largely without anesthesia, that is, with only a paltry compensation plan to cushion the impact of price increases, job losses, and wage cuts. The problem was twofold: a lack of resources, given the fiscal crisis of the Peruvian state and the austerity requirements of stabilization, and a lack of administrative capabilities, due to the erosion of the state's institutional presence in society.[62] Consequently, although Fujimori promised to spend over $400 million in the months after the shock program to protect the poorest sectors, only $90 million was actually spent on programs to alleviate poverty, and other forms of social spend-

[62] For example, budget cuts forced the central government to reduce its administrative staff and workforce from 633,000 in 1990 to only 338,000 in 1993—an extraordinary 47% cut in only three years. See "VIII Foro Económico: Pobreza, Política Económica y Política Social," *Actualidad Económica* 16 (June 1994), 31. As Carol Graham points out, Fujimori inherited a state whose tax receipts had fallen from 15% to 3% of the GDP under García; see Graham, *Safety Nets, Politics, and the Poor: Transitions to Market Economies* (Washington, D.C.: Brookings Institution, 1994), 93. Nevertheless, Graham argues that given the availability of external resources, Fujimori's minimal effort to construct a social safety net to cushion the impact of market reforms was attributable more to a lack of political will than to fiscal constraints.

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ing were being cut.[63] A new program, the Fondo Nacional de Compensación y Desarrollo (FONCODES), was established in 1991 to direct local infrastructure and poverty relief programs, but it lacked the administrative capability to spend all the funds it was allocated. In early 1992 FONCODES was spending less than 20 percent of its allocated budget; that figure barely topped 50 percent in early 1994.[64]

As such, the only significant economic gain for popular sectors in the early years of structural adjustment was the sharp decline in the inflation rate, which fell from 7,650 percent in 1990 to under 20 percent in 1994. This gain was significant, as popular sectors were especially vulnerable to hyperinflation, given the inefficacy of wage indexation and the inability of the poor to protect income levels by holding foreign currency or sending capital abroad. But if stabilization reduced economic uncertainty, it was achieved at the cost of significant economic contraction and reduced consumption. Fujimori thus relied heavily upon nonmaterial factors to sustain his popular support—in particular, his campaign against the political establishment and the growing success of police intelligence units in the war against the Shining Path, which culminated in the capture of messianic rebel leader Abimael Guzman in September 1992. Additionally, at least some features of the economic model had a popular cast, even if they did not provide direct economic benefits to subaltern sectors. For example, Fujimori cracked down on large-scale tax evaders and withdrew a number of subsidies and tax exemptions that had traditionally favored large enterprises with political connections over smaller competitors.

By 1993, however, Fujimori's strategies began to change slowly, as a resumption of economic growth and tax reform, as well as a restoration of ties to international lending institutions, alleviated fiscal constraints. Government spending on social emergency programs, which totaled a paltry $100 million in both 1991 and 1992, doubled in 1993. By the end of 1993 FONCODES had initiated ten thousand small-scale projects in agriculture, health care, education, sanitation, nutrition, transportation, and microenterprise promotion in an effort both to provide public services and to generate new employment.[65] A new residential infrastructure program (PRONAVI) was also expanded to begin housing construction, and Fujimori sharply increased the pace of his visits to

[63] José María Salcedo, "Sí Hay Alternativas," *Quehacer* 85 (September–October 1993), 18.

[64] In 1994 the budget of FONCODES called for an expenditure of $170 million, but it only spent $45 million over the first half of the year; see *Caretas*, July 27, 1994, p. 22.

[65] See the interview with Arturo Woodman, former executive director of FONCODES, in *El Comercio*, November 14, 1993, p. A4.

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poor communities to inaugurate public works projects. Between the April 1992 *autogolpe* and the November 1993 constitutional referendum, Fujimori personally dedicated seventy-one schools, mostly in lower-class urban districts.[66]

A more dramatic change occurred in early 1994, however, when the Fujimori regime received an unexpected economic windfall—a privatization settlement worth over $2 billion from the sale of Peru's state-owned telephone and telecommunications industries to a Spanish-led consortium of investors. The sale price, higher than what the government had anticipated, suddenly added to the state coffers a quantity of money that was equivalent to more than half of Peru's annual export earnings and more than 240 percent of the currency in circulation. While business interests clamored to have the money used for tax relief and the IMF insisted that it go for debt payments so as not to reignite inflation, Fujimori insisted that a sizable portion of the money be directed to social programs as part of a new "war on poverty." After getting IMF approval to double social emergency spending to $450 million, Fujimori held out for additional increases before signing a new letter of intent, and he eventually received authorization to spend $876 million on social and investment programs.[67] Meanwhile, Fujimori's minister of the presidency—whose office is responsible for FONCODES, PRONAVI, and the food assistance program PRONAA—promised to create a million new jobs before the 1995 elections through housing and public construction projects.[68] Fujimori announced a new $400 million campaign to build thirty-one thousand homes, and promised to build one school per day in 1994 and two to three per day in 1995.[69] He also decreed special bonuses for public sector workers, a doubling of the minimum wage in the public health and education sectors, and an 83 percent increase in the private sector minimum wage, the first in two years.[70]

Given Peru's accumulated social deficit, the urgent need for commitments of new resources can hardly be denied; if they fully materialize, it will be only a first step toward making up some of the ground lost from

[66] *Caretas*, November 25, 1993, p. 22. Regular visits to urban shantytowns began in earnest after the 1992 *autogolpe*; following the poor showing for Fujimori's constitution in the 1993 referendum, when it failed to get 50% of the vote outside of Lima, presidential visits to the provinces to inaugurate public works and deliver supplies increased as well, to an average of more than one per week. See "El No Candidato," *Quehacer* 88 (March–April 1994).

[67] *Latin America Weekly Report*, June 2, 1994, p. 237.

[68] See "El Camino a la Reelección Pasa por el Millón de Empleos," *Actualidad Económica* 152 (March 1994), 6–7.

[69] *La República*, June 29, 1994, p. 6.

[70] "La Buena Estrella del Presidente Fujimori," *Argumentos* 2 (April 1994), 7.

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the collapse of public services over the past decade,[71] and it will represent only a fraction of the resources required to meet the basic needs of the fifteen million Peruvians estimated to be living below the poverty line.[72] However, the timing and manner in which these new social programs were implemented involved transparent political manipulation, and they have generated widespread charges of electoral populism in Peru.[73] With only a year to go before standing for reelection—an opportunity made possible by rewriting the constitution—Fujimori suddenly embarked upon a dramatic expansion of state social spending, deriving political advantages from sympathetic media coverage of his daily visits to inaugurate public works in poor communities. Indeed, Peruvian airwaves and newspapers were replete with images of Fujimori, often wearing an Indian poncho and woolen cap, visiting remote Andean communities or urban shantytowns to inaugurate public works, distribute computers or other materials to schools and health clinics, and pass out calendars with his photo to indigenous peasants. The political manipulation of social spending was so blatant that the council which oversees national elections—a body not known for its independence from the executive branch—proposed legislation in late 1994 that would prohibit an incumbent president from inaugurating public works, distributing goods, or even speaking of public works during a presidential campaign.[74] Earlier in the year the director of FONCODES, a respected leader of the business community, resigned his position following conflicts with the minister of the presidency over the political manipulation of social projects to build support for Fujimori and neutralize the influence of municipal authorities.[75]

Although this expansion of social spending was not based upon inflationary deficit financing—the bête noire of critics of economic populism—it relied heavily upon temporary funds made available by international financing and the short-term sale of state assets. FONCODES, for example, has received 70 percent of its funds from in-

[71] According to one estimate, government social spending declined from 4.7% of GDP in 1980 to 0.9% in 1993; see *Latin America Weekly Report*, June 9, 1994, p. 244.

[72] Félix Jiménez estimates that the budget of FONCODES is approximately one-tenth what would be required to attend to the basic needs of Peruvians living below the poverty line; see Jiménez, "Estratégias de Desarrollo y Política Social," *Socialismo y Participación* 67 (September 1994), 22.

[73] See, for example, *Resúmen Semanal*, March 29–April 5, 1994, p. 2. Graham (fn. 62), chap. 4, has argued that even the minimalist social programs of Fujimori's first two years were riddled with political manipulation; the electoral motivations and economic resources at stake more recently make such manipulation even more tempting.

[74] A watered-down version of this legislation was passed by the pro-Fujimori majority in Congress as the 1995 presidential race formally began. The final bill allowed Fujimori to inaugurate public works in "noncampaign" settings, where he did not advocate his reelection or criticize electoral opponents.

[75] *Caretas*, February 3, 1994, p. 25.

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ternational sources,[76] and FONAVI and PRONAA have also received international support. Although Fujimori's neoliberal reforms made these new financial resources available through privatization and renewed access to international credits, their sustainability is questionable. Reliance upon international financing to sustain social consumption is a risky endeavor, and although Peru will likely earn several billion dollars more before completing its privatization project, this is by definition a short-term fiscal palliative. It is not surprising, then, that FONCODES is designed to be an emergency social compensation project rather than a long-term development program.

Furthermore, the expansion of social spending has entailed an extraordinary concentration of power and resources in the hands of the president and a further weakening of intermediary social and political institutions. The major poverty alleviation programs are managed directly by the Ministry of the Presidency, which has acquired a virtual monopoly over public works in Peru. Social spending in other government ministries has been cut, regional governments were eliminated in the 1992 *autogolpe*, and municipal governments have been emasculated by a 1993 decree that eroded their financial autonomy.[77] Municipal governments are generally bypassed in the targeted social projects of FONCODES, which works directly with base-level community groups, or *nucleos*, in project design and implementation. These *nucleos* typically have an ephemeral existence, as they are project specific rather than permanent grassroots community organizations; their role is not one of political representation or demand making. Indeed, Fujimori has been widely criticized for marginalizing more autonomous and institutionalized popular organizations, particularly the community soup kitchens that are legally entitled to government subsidies.[78] The wariness toward independent groups in civil society can also be noted in his reliance upon military troops for projects like highway construction.

In short, Peruvian social policies have relied upon direct, highly paternalistic relationships that are conducive to the microlevel exchange of material benefits for political support, even in a context of relative macroeconomic austerity. The material foundation for populism thus

[76] Interview by the author with Mariano Castro, FONCODES manager of programs and projects, Lima, June 30, 1994.

[77] The municipal reform is analyzed in Angel Delgado Silva, "Autocracia y Régimen Local," *Socialismo y Participación* 65 (March 1994). This decree not only weakened municipal governments as a counterweight to executive authority, but also undermined the political position of Mayor Ricardo Belmont of Lima, one of Fujimori's major competitors for the presidency in 1995. By the end of 1994 the Lima municipality was essentially bankrupt, public services and employee salaries had been interrupted, and Belmont was floundering politically.

[78] *Resúmen Semanal*, December 21–27, 1993, pp. 2–3.

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shifted from costly, impersonal programs such as universal consumer subsidies to less expensive, community-based projects that could be directly attributed to presidential initiative as a result of the concentration of resources in the executive branch and the systematic erosion of intermediary institutions in both civil and political society. As fiscal constraints gradually diminished and electoral considerations rose to the forefront, Fujimori expanded community projects and even resorted to more generalized populist mechanisms—such as wage increases—without jeopardizing the macroeconomic equilibria of the neoliberal model.

Fujimori has thus demonstrated how populist economic measures—at times, remarkably traditional ones—can be incorporated into an overarching neoliberal project, and how the privatization programs that are central features of neoliberalism can easily spawn new types of populist agendas. Indeed, privatization can help circumvent the fiscal constraints of neoliberal austerity by providing resources for the type of pork-barrel distributive politics that incumbents everywhere find so hard to resist. Such distributive measures may not add up to populism in and of themselves, especially where they follow channels of partisan representation or enduring forms of social organization. However, in the Peruvian context of social atomization and political deinstitutionalization, they have become a central component of a broader populist project that ties a heterogeneous subaltern constituency to the unmediated authority of an autocratic ruler.

In effect, Fujimori has crafted a mixed political strategy that combines technocratic neoliberalism with microlevel populism. In a recent study, Geddes found that Fujimori, as the consummate outsider and independent political entrepreneur, had the highest score out of forty-four Latin American presidencies for his reliance upon meritocratic criteria rather than partisan patronage when making political appointments.[79] But while opting for technocratic competence in the state bureaucracy, he has not had to forgo patronage opportunities made possible by public works in local communities; indeed, his personal visits to lower-class communities to deliver goods are highly reminiscent of Peru's military populist of the 1950s, General Mañuel Odría.[80]

[79] Barbara Geddes, *Politicians's Dilemma: Building State Capacity in Latin America* (Berkeley: University of California Press, 1994), chap. 6.

[80] See David Collier's analysis of Odría's paternalistic relationship to shantytown settlements; Collier, *Squatters and Oligarchs: Authoritarian Rule and Policy Change in Peru* (Baltimore: Johns Hopkins University Press, 1976), chap. 4. Fujimori also resembles Odría in his efforts to transform the unorganized poor into a bastion of personalist support, as Odría had to bypass the organized social and political constituencies of APRA.

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Whereas Geddes speaks of efforts to create "islands of competence" within states that are otherwise riddled with political patronage, Fujimori has nurtured "islands of populism" within an otherwise highly technocratic and exclusive model of economic development.

The question remains, however, whether these populist measures have been efficacious in reproducing Fujimori's base of popular support. The flirtation with more generalized populist mechanisms followed the narrow victory of Fujimori's new constitution in an October 1993 plebiscite, when it obtained broad support in wealthy districts but failed to get a majority in many of the provinces and urban popular communities that had supported him overwhelmingly in 1990.[81] Clearly, there would be little reason to identify Fujimori as any type of populist if his social constituency were to shift definitively toward more elite sectors. However, as of June 1994, Fujimori's approval rating among Lima's poorest sectors (67.3 percent) remained higher than that among the middle and upper classes (56.9 percent),[82] and the memory of the economic debacle of the García years seemed to outweigh the social costs of Fujimori's structural adjustment. Indeed, in January 1994, 68.9 percent of the poorest sectors in Lima said the economy was in better shape than it had been under García (compared with 10.4 percent who said it was worse); more revealing is the fact that 42.7 percent of the poor said their own standard of living had improved under Fujimori, compared with 25 percent who said it had declined.[83] It seems plausible, then, that after a traumatic period of hyperinflation, the material—or, perhaps, the psychological—benefits of economic stabilization and selective populist measures may cushion the impact of austerity and thus provide breathing space for government efforts to address social problems.

Comparative Perspectives

Although *Fujimorismo* provides an unusually transparent example of the affinities between populism and neoliberalism, it is hardly a unique

[81] In the second round of the 1990 election, Fujimori won over 62% of the vote in the poorest districts of Lima, compared with only 24.6% in the wealthiest districts. In the 1993 referendum, over 64% in the wealthiest districts voted for the new constitution, compared with 56% in the poorest districts; see *Caretas*, November 18, 1994, p. 24B. Fujimori's constitution fared even worse outside of Lima, losing in fifteen of Peru's twenty-two departments. The two elections are not directly comparable, however, since the 1990 figures were affected by the presence of an alternative candidate who was attractive to elite sectors. Nevertheless, the 1993 results are revealing, and the narrowness of Fujimori's referendum victory gave added political impetus for increased social spending in 1994.

[82] *Imasen Confidencial*, June 1994, p. 12.

[83] Ibid., January 1994, p. 18.

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case. In Mexico debate has emerged over the characterization of the Programa Nacional de Solidaridad (Pronasol), the targeted social compensation plan that President Carlos Salinas de Gortari designed to cushion the impact of neoliberal reforms. Some observers have denied that the program is populist, either because it has maintained fiscal discipline[84] or because it has been incorporated into a broader neoliberal conception of the state.[85] As conceptualized above, however, neither fiscal indiscipline nor statist economic models are intrinsic to populism; of greater relevance are the nature of authority relations and the manipulation of government economic resources in an exchange for political support.

On paper, Pronasol is not a populist project, as it is designed to be a nonpartisan, demand-based program in which autonomous local committees play a major role in the proposal, design, and implementation of government-financed community projects. The practice, however, often diverges from this model, although it is difficult to generalize, given the variation in the program's political implementation according to the strength and autonomy of preexisting grassroots organizations and the proclivities of local government officials.[86] In some localities grassroots initiative and autonomy have been maintained; in others local committees have been created out of or incorporated within the clientelist networks of the governing party, the PRI.

In practice, there are several characteristics of Pronasol that endow it with populist features,[87] namely, a personalistic, centralized authority structure and the widespread manipulation of resources to marginalize opposition parties and build local bases of political support for the government. As Cornelius, Craig, and Fox assert, Pronasol developed as "a presidentialist program par excellence."[88] President Salinas and his advisers held tight control over highly discretionary funds; in some cases, funds were disbursed through municipal governments or the PRI's traditional corporate institutions, but in other cases institutional intermediation was bypassed in favor of direct disbursement to the grass roots,

[84] José Córdoba, "Mexico," in John Williamson, ed., *The Political Economy of Policy Reform* (Washington, D.C.: Institute for International Economics, 1994), 266.

[85] Carol Graham, "Mexico's Solidarity Program in Comparative Context: Demand-Based Poverty Alleviation Programs in Latin America, Africa, and Eastern Europe," in Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, eds., *Transforming State-Society Relations in Mexico* (San Diego: Center for U.S.-Mexico Studies, 1994), 323.

[86] See Jonathan Fox, "The Difficult Transition from Clientelism to Citizenship: Lessons from Mexico," *World Politics* 46 (January 1994).

[87] For an elaboration, see Dresser (fn. 1).

[88] Wayne A. Cornelius, Ann L. Craig, and Jonathan Fox, "Mexico's National Solidarity Program: An Overview," in Cornelius, Craig, and Fox (fn. 85), 14.

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especially where municipal governments were under the control of opposition parties or traditional PRI bosses opposed to Salinas's reforms. With considerable fanfare, Salinas made weekly visits to poor communities to inaugurate projects and receive petitions for new ones. Allocative decisions were heavily influenced by political considerations, and not merely technical criteria or poverty levels; resources were distributed to reward areas of PRI support and either punish or "buy back" opposition voters, depending upon partisan loyalties and the proximity of regional elections.[89] Funds were targeted to "buy back" voters in areas that were strongholds of support for Cuahtemoc Cardenas and his leftist opposition party, the PRD.[90] Not surprisingly, empirical studies have demonstrated that access to Pronasol benefits had a significant impact on lower-class support for the PRI in the 1991 legislative elections.[91]

This is not to argue that the targeted social compensation programs advocated by neoliberal reformers are intrinsically populist; where the political will exists, as Graham's analysis of the Bolivian Emergency Social Fund demonstrates, such programs can be designed to follow relatively technical and nonpartisan criteria and to strengthen local organizational and administrative capabilities.[92] But as the Peruvian and Mexican cases show, these programs can easily be manipulated by personalist leaders seeking microlevel exchanges of material benefits for political support. The broader context of neoliberal austerity does not negate the essentially populist character of such authority relations. Indeed, as in Peru, the privatizations that accompanied structural adjustment provided resources that could be used (temporarily) to help finance clientelist exchanges; Salinas used earnings from privatizations not only to help fund Pronasol but also to finance electrification projects in lower-class communities.

In Argentina, Carlos Menem also proved adept at maintaining a populist coalition despite his reversal of traditional Peronist economic policies. Like Fujimori, Menem has tried to incorporate selective populist economic measures into an overarching neoliberal project, especially since constitutional change made reelection a possibility. This can be seen in his 1994 adoption of a $7 billion public works campaign following political unrest in the northern provinces, along with his advo-

[89] See Juan Molinar Horcasitas and Jeffrey A. Weldon, "Electoral Determinants and Consequences of National Solidarity," in Cornelius, Craig, and Fox (fn. 85).

[90] See Kathleen Bruhn, "Taking on Goliath: The Emergence of a New Cardenista Party and the Struggle for Democracy in Mexico" (Ph.D. diss., Stanford University, 1993), chaps. 6, 7.

[91] Charles L. Davis and Kenneth M. Coleman, "Neoliberal Economic Policies and the Potential for Electoral Change in Mexico," *Mexican Studies/Estudios Mexicanos* 10 (Summer 1994).

[92] Graham (fn. 62), chap. 3.

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cacy—over the objections of Finance Minister Domingo Cavallo—of a scheme to sell off shares of the state-owned oil company to help finance a low-cost housing project.[93] More important, perhaps, has been Menem's astute employment of selective material and political incentives to garner support from strategically located labor unions. Although neoliberal reforms undercut the collective rights and power of organized labor in general, Menem used his Peronist links to divide and rule the labor movement by targeting cooperative unions for selective wage increases, control over social welfare funds, political appointments, and legal privileges.[94] These measures at the microlevel blocked the emergence of a unified labor opposition and helped Menem maintain a popular constituency despite a macroeconomic model that sharpened inequalities and drove up unemployment to record levels. Such forms of selective incorporation fragment subaltern sectors, impede horizontal linkages between popular organizations, and encourage vertical forms of political clientelism; as such, they follow in the long tradition of Latin American populism, which typically bestowed its rewards upon "privileged" sectors of the lower classes (especially organized labor) while neglecting others (the urban underclass and rural poor). The social actors may have changed, but the logic remains one of promoting social fragmentation to facilitate vertical political domination and dependency.

Social fragmentation has gone hand in hand with autocratic rule and political deinstitutionalization in Argentina, although the process has been less extreme than in Peru. Not only did Menem produce a schism in the labor movement, the historic institutional pillar of Peronism, but he has also subordinated the legislature by governing extensively by decree, packed the Supreme Court with loyalists, personalized the leadership of the Peronist party, built personal bases of support outside the party, and concentrated power in the hands of a charismatic executive.[95] Recent Argentine elections have also witnessed an erosion of the traditional party system and the emergence of new political fronts, provincial parties, and personalist leaders. In both Argentina and Peru, political deinstitutionalization has been a conscious strategy of personalist leaders, enabling them to establish unmediated relationships with

[93] *Latin American Weekly Report*, June 16, 1994, p. 262, and December 8, 1994, p. 557.

[94] Sarah Kelsey and Steve Levitsky, "Captivating Alliances: Unions, Labor-backed Parties, and the Politics of Economic Liberalization in Argentina and Mexico" (Paper presented at the Eighteenth International Congress of the Latin American Studies Association, Atlanta, March 10–12, 1994).

[95] Aldo C. Vacs, "Attending Marvels: The Unanticipated Merger of Liberal Democracy, Neo-Liberalism, and Neo-Populism in Argentina" (Paper presented at the annual meeting of the American Political Science Association, New York, September 1–4, 1994).

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atomized mass followings while overcoming institutional checks on the imposition of neoliberal reforms. By helping to remove such institutional constraints, populism has proven to be highly functional to the neoliberal project.

Conclusion: The Political Implications of Populist Liberalism

Since neoliberalism first arrived in Latin America under the iron fist of Chile's military dictator Augusto Pinochet, its political implications have been widely—and hotly—debated. Early critics saw authoritarian coercion as a functional requisite to suppressing political opposition to strict market reforms.[96] More recently, the "Washington consensus" presumes a natural harmony between political and economic liberalism, and thus an affinity between free markets and democratic politics.[97] Over time neoliberalism has demonstrated its political versatility; nevertheless, as political dealignment spawns personalist regimes across much of Latin America, it is time to consider whether the most natural political correlate to the neoliberal era may actually be populism, the option most widely seen as its antithesis.[98]

This study suggests that neoliberalism and populism contain unexpected symmetries and affinities. The Peruvian case demonstrates that populism can complement and reinforce neoliberalism in certain contexts, even if its form differs from the classical populism associated with the likes of Peron, Vargas, Cardenas, Haya de la Torre, and Gaitán. Rather than representing the eclipse of populism, neoliberalism may actually be integral to its transformation, as populism adapts to changing structures of opportunities and constraints.

Given this resiliency and malleability, populism should be decoupled from any specific phase or model of socioeconomic development. Indeed, its multiple expressions enable it to survive—and even thrive—under diverse political and economic conditions. Simply put, populism is a recurring feature of Latin American politics. Its recurrence is attributable not so much to a personalist strain in the region's political

[96] Mañuel Antonio Garretón, *El Proceso Político Chileno* (Santiago: FLACSO, 1983).

[97] See, for example, Anthony Lake, "The Reach of Democracy," *New York Times*, September 23, 1994, p. A17.

[98] There is no assumption here that this correlation is perfect; Chile has experienced neoliberalism under both authoritarian and democratic rulers without significant manifestations of populism, while Venezuela under Rafael Caldera demonstrates to date that personalist leadership and political deinstitutionalization do not inevitably strengthen neoliberalism. Nevertheless, the theoretical and empirical linkages between populism and neoliberalism are compelling and suggest a form of association that goes well beyond political coincidence.

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culture, or even to the distributive conflicts engendered by entrenched socioeconomic inequalities, as to the fragility of autonomous political organizing among popular sectors and the weakness of intermediary institutions that aggregate and channel social demands within the political arena. That is, it is the failure of representative institutions like political parties, labor unions, and autonomous social organizations to mediate between citizens and the state that paves the way for the direct, personalist mobilization of heterogeneous masses which is synonymous with populism.[99]

Populism is a perpetual tendency where political institutions are chronically weak. However, it surges most strongly in contexts of crisis or profound social transformation, when preexisting patterns of authority or institutional referents lose their capacity to structure the political behavior and identities of popular sectors. It is in such contexts that popular sectors are most likely to deposit their confidence in powerful men of action, in national "saviors" who promise to sweep away the detritus of the past and usher in a new social order. Classical populism, for example, emerged in the 1930s in Latin America as industrialization and urbanization eroded the social controls of the oligarchic order and created a new urban mass sector disposed to political mobilization. Given the nascent state of institutional channels for popular representation, emerging working and middle classes were often incorporated into the political arena through direct mobilization by personalist leaders. In contemporary Latin America the prolonged economic crisis of the 1980s culminated in the collapse of the developmentalist state, clearing the deck for neoliberal structural adjustments. This process, however, undermined the institutional forms of representation that characterized the developmentalist state—in many cases, the political parties and labor unions spawned by earlier populist movements. The outcome has been a fragmentation of civil society, a destructuring of institutional linkages, and an erosion of collective identities that enables personalist leaders to establish vertical, unmediated relationships with atomized masses.[100] The theoretical nexus between populism and neoliberalism, then, is grounded in their reciprocal tendency to exploit—and exacerbate—the deinstitutionalization of political representation. Ultimately, the two phenomena are mutually reinforcing.

Therefore, in periods of economic crisis, social fragmentation, and

[99] These factors are also stressed by Castro Rea, Ducatenzeiler, and Faucher (fn. 1).

[100] An excellent synthesis of the relationship between social fragmentation and personalist authority can be found in Eugenio Tironi, "Para Una Sociología de la Decadencia: El Concepto de Disolución Social," *Proposiciones* 6 (October–December 1986), 12–16.

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political deinstitutionalization, the personalist mobilization of lower-class support is not necessarily contingent upon statist or redistributive macroeconomic policies. Indeed, personalist leaders from Boris Yeltsin to Ross Perot have found ways to combine populist, antiestablishment messages with programs of economic austerity during periods of institutional failure. Likewise, the Peruvian case demonstrates that it may be possible to craft populist formulas that complement neoliberalism by exploiting popular disillusionment with established institutions and selectively allocating limited public resources to create local bases of clientelist support.

If this is the case, the collapse of import substitution industrialization and the onset of the neoliberal era do not require a "requiem for populism," as some anticipated.[101] Instead, the new era may be associated with the transformation and revival of populism under a new guise, one that is shaped by the breakdown of more institutionalized forms of political representation and the fiscal constraints that inhere in a context of public indebtedness and a diminished state apparatus. The Peruvian case suggests that this new, more "liberal" variant of populism not only represents a different economic project than traditional, "statist" populism,[102] but also rests upon new social bases (that is, informal sectors rather than organized labor) and a new articulation of the contradiction between "the people" and the "power bloc."

Like classical populism, this new form of liberal populism is likely to manifest contradictions and limitations. Once the initial political dividends of inflation control have worn off, the long-term capacity of targeted social programs to provide political cover for an economic model that generates growth without employment is subject to doubt, especially when social programs rely on one-shot infusions of financial resources. When one out of every five workers in the nation's capital is a street vendor, as is the case in Lima, it is hardly surprising that jobs are a more salient concern for most individuals than public works projects.[103] Likewise, there is an inherent volatility in political systems that are devoid of representative institutions, and thus rely on fluctuating personalist appeal for legitimation and aggregation. Such expressions of

[101] Drake (fn.15).

[102] Methodologists may note that these liberal and statist forms of populism correspond to what Collier and Mahon (fn. 21) call "classical" categories, rather than subtypes of a radial category. That is, since both of these forms are capable of manifesting all the core properties of populism outlined above, the attachment of a descriptive adjective signifies the addition, not subtraction, of defining attributes—in this case, alternative expressions of populist economic policies.

[103] See Francisco Verdera V., "La Preoccupación por el Empleo," *Debate* 16 (July–August 1994), 43–44.

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populism do little to bridge the chasm that separates the state from society in Latin America, and they can leave personalist leaders dangerously isolated, as evidenced by the failure of Fujimori to transfer his own popularity to candidates of his choosing in Peru's 1993 municipal elections. The more enduring classical populists built party or labor organizations to complement their personal appeal and integrate followers into the political system, something the new generation of liberal populists has shown little inclination to do. Although the inclusiveness of classical populism was always selective, it was far deeper than that of liberal populism, which spawns little organization, no political role for citizens beyond that of voting, and a more limited and exclusive set of economic rewards.

Finally, the "politics of antipolitics" is a weak substitute for the cross-class nationalist appeal of classical populism, and it is likely to be self-limiting as a populist formula for legitimizing an incumbent government. However potent it may be for political outsiders and protest movements, it becomes self-negating once the outsiders displace the traditional political class, turn into incumbents, and construct a new political establishment. It is therefore a formula that is not equally effective during all phases of a populist phenomenon, much less one that provides a permanent governing rationale, which helps explain Fujimori's turn toward economic populism after he swept away competing institutions in the 1992 *autogolpe* and became the embodiment of the political establishment. The "politics of antipolitics" becomes especially dissonant at a time when Fujimori's governing style and relationship with the masses are increasingly reminiscent of more traditional politicians and populist leaders.

These limitations may be sources of long-term instabilities, but they hardly diminish the importance of *Fujimorismo*; populism, after all, has never been noted for producing sustainable economic improvements or durable governing formulas. The importance of the Peruvian case rests in its demonstration of the potency and viability of liberal populism during periods of institutional crisis and social transformation. As such, it has profound implications for opponents as well as supporters of neoliberalism. For opponents, it warns against the comforting assumption that neoliberalism is incapable of generating a broad base of political support, and thus will inevitably produce a popular backlash in favor of progressive alternatives. Indeed, it provides compelling evidence that neoliberalism is both a consequence and a cause of the weakening and fragmentation of the popular collective actors who are essential to any progressive alternative.

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For those who share in the "Washington consensus" favoring neoliberal reforms, the Peruvian case is a sobering reminder that economic restructuring may come with unexpected political ramifications. Proponents of neoliberalism may find it unsettling to contemplate whether they are presiding over the transformation and revival of populism, rather than its burial. More important, the emergence of liberal populism casts a large shadow over facile assumptions that free markets and representative democracy are kindred phenomena. The historical development of representative democracy in the West was heavily influenced by the efforts of subaltern groups to organize collectively to exert political control over market insecurities;[104] in order to eliminate such controls, modern neoliberal technocrats have routinely suppressed or circumvented the mechanisms of accountability that inhere in democratic organization. The correlation between neoliberalism, deinstitutionalization, and autocratic rule is hardly unique to Peru, or even Latin America, as there are clear parallels to recent events in the former Soviet bloc. Although personality may be an effective force for political aggregation and legitimation in tumultuous times, the shifting sands of public infatuation and the whims of autocratic rulers are hardly desirable long-term foundations for the neoliberal edifice, as the Russian case amply demonstrates. As such, the predilection for autocracy—for the political power to implement economic reforms unencumbered by institutionalized mechanisms of representation and accountability—is likely to clash with both the political need to establish institutional roots in civil society and the popular tendency to rely on democratic organization as a counterweight to individual market insecurities. These tensions can be expected to shape the evolutionary dynamics of liberal populism in the years to come; more fundamentally, they will be decisive in determining whether the denouement of the neoliberal era will be democratic or authoritarian.

[104] See Dietrich Rueschemeyer, Evelyne Huber Stephens, and John D. Stephens, *Capitalist Development and Democracy* (Chicago: University of Chicago Press, 1991); or Karl Polanyi, *The Great Transformation* (New York: Farrar and Rinehart, 1944).

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Review Article

SECURITY STUDIES AND THE END OF THE COLD WAR

By DAVID A. BALDWIN*

Graham Allison and Gregory F. Treverton, eds. *Rethinking America's Security: Beyond Cold War to New World Order*. New York: W. W. Norton, 1992, 479 pp.

John Lewis Gaddis. *The United States and the End of the Cold War: Implications, Reconsiderations, Provocations*. New York: Oxford University Press, 1992, 301 pp.

Michael J. Hogan, ed. *The End of the Cold War: Its Meaning and Implications*. New York: Cambridge University Press, 1992, 294 pp.

Richard Shultz, Roy Godson, and Ted Greenwood, eds. *Security Studies for the 1990s*. New York: Brassey's, 1993, 423 pp.

THE end of the cold war is arguably the most momentous event in international politics since the end of World War II and the dawn of the atomic age. Paraphrasing John F. Kennedy on the advent of nuclear weapons, one scholar sees the end of the cold war as changing "all the answers and all the questions."[1] Another scholar, however, denies that there have been any "fundamental changes in the nature of international politics since World War II" and asserts that states will have to worry as much about military security as they did during the cold war (Mearsheimer, in Allison and Treverton, 214, 235). Most of the fifty or so authors whose work appears in the books reviewed here take the more moderate position that the end of the cold war changes some of the questions and some of the answers, but they disagree over which questions and answers are at issue.

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[1] Charles W. Kegley, Jr., "The Neoidealist Moment in International Studies? Realist Myths and the New International Studies," *International Studies Quarterly* 37 (June 1993), 141.

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Despite the disparity of views among the authors, three themes emerge. First, military power has declined in importance in international politics.[2] For some this means that military threats are less prevalent, while for others it means that military force is less useful as a tool of statecraft. Second, there is a need to reexamine the way we think about international relations and national security.[3] For some this need stems from the changed circumstances of the post–cold war world; for others it grows out of the collective failure of scholars to anticipate either the timing or the nature of the end of the cold war. And third, there is a need for a broader view of national security (see especially the essays by Schelling and Peterson, in Allison and Treverton). For some this means including domestic problems on the national security agenda; for others it means treating nonmilitary external threats to national well-being as security issues.

Each of these books raises fundamental questions about the theories, concepts, and assumptions used to analyze security during the cold war and about those that should be used now, in its aftermath. This review in turn seeks to lay the intellectual groundwork for a reexamination of security studies as a subfield of international relations.[4]

The discussion is presented in three parts. The first surveys the emergence and evolution of security studies as a subfield of international relations. It suggests that scholars who wrote on national security at the beginning of the cold war had a broader and more useful approach to the topic than those writing at its end. The second part assesses the relevance of security studies to the new world order. It argues that the field's treatments of the goal of security, the means for pursuing it, and the domestic dimensions of security raise serious questions about its ability to cope with the post–cold war world. And the third part reviews proposals for the future study of security; these range from holding to the status quo to abolishing the subfield and reintegrating it with the study of international politics and foreign policy. It suggests that a strong case can be made for reintegration.

[2] See especially the contributions by Ernest R. May, Raymond L. Garthoff, and Robert Jervis in Hogan; the essays by Peter G. Peterson, Gregory F. Treverton, and Barbara A. Bicksler in Allison and Treverton; and Gaddis, *The United States and the End of the Cold War*.

[3] See especially the contributions by Ronald Steel and Robert Jervis in Hogan; Gaddis; and most of the essays in Allison and Treverton.

[4] In order to make the subject manageable, this review article focuses on security studies in the United States. This should not be interpreted as implying that important work was not done in other parts of the world.

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I. The Evolution of Security Studies

It has become a commonplace to associate the origins of security studies with the twin stimuli of nuclear weaponry and the cold war.[5] This approach, however, can easily give the misleading impression that security studies was created ex nihilo sometime between 1945 and 1955. Before one can understand the impact of the cold war on thinking about national security, one must first examine the pre–cold war scholarship on the subject. Was there simply a void to be filled because no one had been studying national security or war? Were existing approaches to the study of foreign policy and international politics too narrow and rigid to accommodate students of the cold war? It will be argued that each of these questions should be answered in the negative. Indeed, in many ways the study of national security grew more narrow and rigid during the cold war than it had been before.

The Interwar Period

If security studies is defined as the study of the nature, causes, effects, and prevention of war, the period between the First and Second World Wars was not the intellectual vacuum it is often thought to be. During this period international relations scholars believed that democracy, international understanding, arbitration, national self-determination, disarmament, and collective security were the most important ways to promote international peace and security.[6] They therefore tended to emphasize international law and organization rather than military force. Quincy Wright's *Study of War*, published in 1942, was far more than a single book by a single author. It was the culmination of a major research project dating from 1926, a project that spawned numerous studies by such scholars as William T. R. Fox, Bernard Brodie, Harold Lasswell, Eugene Staley, Jacob Viner, Vernon Van Dyke, and many others. In an appendix entitled "Co-operative Research on War," Wright describes numerous scholarly research projects on aspects of

[5] See, for example, Gene M. Lyons and Louis Morton, *Schools for Strategy: Education and Research in National Security Affairs* (New York: Frederick A. Praeger, 1965); P. G. Bock and Morton Berkowitz, "The Emerging Field of National Security," *World Politics* 19 (October 1966), 122; Joseph S. Nye, Jr., and Sean M. Lynn-Jones, "International Security Studies: A Report of a Conference on the State of the Field," *International Security* 12 (Spring 1988), 8; and Richard Smoke, "National Security Affairs," in Fred I. Greenstein and Nelson W. Polsby, eds., *Handbook of Political Science*, vol. 8, *International Politics* (Reading, Mass.: Addison-Wesley, 1975). Smoke dates the emergence of the field from the mid-1950s, with its concern about limited war and the massive retaliation doctrine.

[6] William T. R. Fox, "Interwar International Relations Research: The American Experience," *World Politics* 2 (October 1949).

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war conducted by various groups during the interwar period.[7] Fifty years later *A Study of War* still stands as the most thorough and comprehensive treatise on war in any language. It inspires awe in its coverage of the legal, moral, economic, political, biological, psychological, historical, sociological, anthropological, technological, and philosophical aspects of war.

For Wright, war was primarily a problem to be solved, a disease to be cured, rather than an instrument of statecraft. The book was, according to Fox, "as notable for its inattention to problems of *national* strategy and *national* security as for its dispassionate portrayal of war as a malfunction of the international system."[8] Except for a few scholars, such as Frederick Sherwood Dunn, Nicholas J. Spykman, Arnold Wolfers, Edward Mead Earle, and Harold and Margaret Sprout, the study of military force as an instrument of statecraft for promoting national security tended to be neglected. This was the crucial difference between security studies before and after 1940.

All of this changed rapidly with the onset of World War II, when "national security became a central concern of international relationists of widely different persuasions. For all of them, moreover, it called for explicit consideration of force as it related to policy in conflicts among first-ranking nation-states."[9] By 1941 a course on war and national policy, designed by Grayson Kirk, John Herz, Bernard Brodie, Felix Gilbert, Alfred Vagts, and others was being taught at Columbia University; and similar courses were developed during the war at Princeton, the University of North Carolina, Northwestern, the University of Pennsylvania, and Yale.[10] A book of readings developed for such courses was nearly eight hundred pages long.[11]

[7] Wright, *A Study of War*, 2d ed. (Chicago: University of Chicago Press, 1965).

[8] William T. R. Fox, "A Middle Western Isolationist-Internationalist's Journey toward Relevance," in Joseph Kruzel and James N. Rosenau, eds., *Journeys through World Politics: Autobiographical Reflections of Thirty-four Academic Travelers* (Lexington, Mass.: Lexington Books, 1989), 236; emphasis in original.

[9] Ibid., 237–38.

[10] Lyons and Morton (fn. 5), 37; Grayson Kirk and Richard Stebbins, *War and National Policy: A Syllabus* (New York: Farrar and Reinhart, 1942); and Harold Sprout and Margaret Sprout, eds., *Foundations of National Power: Readings on World Politics and American Security* (Princeton: Princeton University Press, 1945), ix.

[11] Sprout and Sprout (fn. 10). One indicator of the impact of this book is that the second edition (1951) serves as the basic reference point for discussing the idea of "national power" in a textbook on national security prepared for West Point cadets—long after the Sprouts themselves had repudiated their earlier approach to analyzing power. See Amos A. Jordan, William J. Taylor, Jr., and Lawrence J. Korb, *American National Security: Policy and Process*, 4th ed. (Baltimore: Johns Hopkins University Press, 1993),10; and Harold Sprout and Margaret Sprout, *The Ecological Perspective on Human Affairs: With Special Reference to International Politics* (Princeton: Princeton University Press, 1965), 217n.

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The First Postwar Decade

Later chroniclers of the history of security studies have suggested that there was little academic interest in security studies until the mid-1950s, when it was sparked by concern about the doctrine of massive retaliation.[12] Although it is true that national security was treated within the broader framework of international relations and foreign policy, it is not true that questions of the security of the nation were ignored. By 1954 a rich literature on national security affairs was available to anyone wishing to design courses or do research.[13] It was, as Fox observed, "to be expected that fifteen years of world war and postwar tension, with national security problems continually at the center of public and governmental interest, would shape the research activities of social scientists generally."[14]

It is difficult to make the case that the first decade after World War II was a period in which civilian intellectuals evinced little interest in national security. To the contrary, it is more accurately described as the most creative and exciting period in the entire history of security studies. Numerous courses on international politics and foreign policy were added to college curricula during this period.[15] Two major graduate schools devoted entirely to international affairs were founded—the School for Advanced International Studies at Johns Hopkins and the School of International Affairs at Columbia University. Also founded during this period were *International Organization* (1947) and *World Politics* (1948), two major professional journals, both of which published articles on national security. In addition, there were at least three strong research centers focusing on national security: the Yale Institute of International Studies had emphasized national security policy since the 1930s and continued to do so after it moved to Princeton and became the Center of International Studies in 1951. At Columbia, Grayson Kirk encouraged the study of military force and national policy, and the Institute of War and Peace Studies was established in 1951. And at the University of Chicago the strong foundations laid by Quincy Wright were strengthened when Hans Morgenthau joined the faculty in 1943. The Center for the Study of American Foreign Policy

[12] E.g., Smoke (fn. 5), 275–87; Lyons and Morton (fn. 5); and Marc Trachtenberg, "Strategic Thought in America, 1952–1966," *Political Science Quarterly* 104 (Summer 1989).

[13] For a sampling of this literature, see William T. R. Fox, "Civil-Military Relations Research: The SSRC Committee and Its Research Survey," *World Politics* 6 (January 1954).

[14] Ibid., 279.

[15] Grayson Kirk, *The Study of International Relations in American Colleges and Universities* (New York: Council on Foreign Relations, 1947).

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was established under his direction in 1950. And in 1952 the Social Science Research Council established a committee on National Security Research, chaired by Fox.[16]

During the period 1945–55 scholars were well aware of military instruments of statecraft, but security studies was not yet as preoccupied with nuclear weaponry and deterrence as it would become later on. Although no single research question dominated the field, four themes recurred. First, security was viewed not as the primary goal of all states at all times but rather as one among several values, the relative importance of which varied from one state to another and from one historical context to another. Brodie described security as "a derivative value, being meaningful only in so far as it promotes and maintains other values which have been or are being realized and are thought worth securing, though in proportion to the magnitude of the threat it may displace all others in primacy."[17] This view focused attention on the trade-offs between military security and other values, such as economic welfare, economic stability, and individual freedom. Second, national security was viewed as a goal to be pursued by both nonmilitary and military techniques of statecraft. Warnings against overreliance on armaments were common. Third, awareness of the security dilemma often led to emphasis on caution and prudence with respect to military policy. And fourth, much attention was devoted to the relationship between national security and domestic affairs, such as the economy, civil liberties, and democratic political processes.[18]

The question then is not why there was so little interest in security studies in the decade after World War II but rather why later descriptions of the evolution of the field have been so blind to the work of scholars prior to 1955. It is as if the field came to be so narrowly defined in later years that the questions addressed during these early years were no longer considered to belong to the field of security studies.[19]

[16] For details on the teaching and research programs at Yale, Princeton, Columbia, and Chicago during this period, see Lyons and Morton (fn. 5), 127–44; and William T. R. Fox, "Frederick Sherwood Dunn and the American Study of International Relations," *World Politics* 15 (October 1962). The SSRC Committee was originally called the Committee on Civil-Military Relations Research, but this was later changed to the Committee on National Security Policy Research.

[17] Bernard Brodie, "Strategy as a Science," *World Politics* 1 (July 1949), 477.

[18] For examples of these recurrent themes, see Brodie (fn. 17); idem, *National Security and Economic Stability*, Memorandum no. 33 (New Haven: Yale Institute of International Studies, January 2, 1950); Arnold Wolfers, "'National Security' as an Ambiguous Symbol," *Political Science Quarterly* 67 (December 1952); Frederick S. Dunn, "The Present Course of International Relations Research," *World Politics* 2 (October 1949); and Harold D. Lasswell, *National Security and Individual Freedom* (New York: McGraw-Hill, 1950).

[19] Two recent reviews of the evolution of security studies ignore or make only passing reference to the contributions of such major figures as Wright, Wolfers, Fox, the Sprouts, Dunn, Lasswell, Earle, and Spykman. Stephen M. Walt, "The Renaissance of Security Studies," *International Studies Quar-*

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Since many of the authors of the books under review subscribe to a broader view, this is unfortunate. Many current problems are related to those addressed in the period 1945–55, for example, the trade-offs among foreign policy objectives, the trade-offs between foreign affairs and domestic affairs, and the trade-offs between nonmilitary and military policy instruments.

The "Golden Age"

The second decade after World War II, 1955–65, has been described as the "golden age" of security studies.[20] Unlike the previous decade, the "golden age" was dominated by nuclear weaponry and related concerns, such as arms control and limited war. The central question, according to one reviewer, "was straightforward: how could states use weapons of mass destruction as instruments of policy, given the risk of any nuclear exchange?"[21] This question, it should be noted, represented a shift in focus from the previous decade. Whereas earlier research questions considered what security is, how important it is relative to other goals, and the means by which it should be pursued, the new focus was on how to use a particular set of weapons. Contributors to this literature included Thomas Schelling, Glenn Snyder, William W. Kaufmann, Herman Kahn, Albert Wohlstetter, Henry Kissinger, and others.[22]

Although deterrence theory, one of the most impressive intellectual achievements in the history of the study of international relations, was a product of the "golden age," the period also had its many blind spots. Even scholars who define security studies in terms of military force have noted the tendency during that period to overemphasize the military aspects of national security at the expense of historical, psychological, cultural, organizational, and political contexts.[23] Edward A. Kolodziej evidently has this period in mind when he observes that "a

terly 35 (June 1991); and Helga Haftendorn, "The Security Puzzle: Theory-Building and Discipline-Building in International Security," *International Studies Quarterly* 35 (March 1991).

[20] Walt (fn. 19); and Colin Gray, *Strategic Studies and Public Policy: The American Experience* (Lexington: University Press of Kentucky, 1982).

[21] Walt (fn. 19), 214.

[22] See Smoke (fn. 5); Lawrence Freedman, *The Evolution of Nuclear Strategy* (New York: St. Martin's Press, 1981); Fred Kaplan, *Wizards of Armageddon* (New York: Simon and Schuster, 1983); and Trachtenberg (fn. 12).

[23] See, for example, Smoke (fn. 5); and Walt (fn. 19). The most enduring contribution of the "golden age" was Thomas C. Schelling, *The Strategy of Conflict* (Cambridge: Harvard University Press, 1960). Although concerned with nuclear strategy, Schelling stressed the applicability of his analysis to a broader set of actors and problems, including foreign aid, tariff bargaining, child rearing, taxi driving, investing in the stock market, tax collecting, house buying and selling, voting, playing charades, striking, price wars, traffic jams, kidnapping, daylight savings, etiquette, Lot's wife, and selecting Miss Rheingold.

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focus on threat manipulation and force projections became the central, almost exclusive, concern of security studies." This agenda, he notes, "was certainly urgent and ample, but the questions raised were inevitably circumscribed, technical, and managerial."[24]

The Decline

If the cold war stimulated and nourished security studies before 1965, the decreased salience of the cold war during the next fifteen years contributed to a period of decline.[25] As Americans turned their interest from the cold war with the Soviet Union to the hot war in Vietnam, their interest in security studies waned. Although some might view this as an irrational reaction on the part of those who thought they could stop war by not studying it, this would be an oversimplification. In the first place, security studies had been so preoccupied with U.S.-Soviet relations, NATO, and nuclear strategy that it offered little help to those seeking to understand the Vietnam War. As Colin Gray put it, the leading strategists knew "next to nothing" about "peasant nationalism in Southeast Asia or about the mechanics of a counterrevolutionary war."[26] Second, security studies had become so preoccupied with war as an instrument of national policy that it had slighted the legal, moral, and other aspects of war emphasized in Wright's *A Study of War*. Third, the desire to be "policy relevant" had led some scholars into such close relationships with policymakers that they ceased to be perceived as autonomous intellectuals and came to be considered instead as part of the policy-making establishment. And fourth, the decline of interest in traditional security studies was partially offset by increased interest in peace studies and peace research during the 1960s and 1970s, thus indicating that declining interest in security studies was not tantamount to a lack of intellectual interest in war.[27]

Interest in security studies did not revive immediately after the Vietnam War; rather the lessened cold war tensions associated with détente allowed other issues, such as economic interdependence, Third World poverty, and environmental issues, to increase in salience. And the Arab oil embargo served as a sharp reminder that threats to the American way of life emanated from nonmilitary sources, as well as from military ones.

[24] Kolodziej, "What Is Security and Security Studies? Lessons from the Cold War," *Arms Control* 13 (April 1992), 2.

[25] Walt (fn. 19), 215; Smoke (fn. 5), 303–4; Nye and Lynn-Jones (fn. 5), 9; and Trachtenberg (fn. 12), 332.

[26] Gray (fn. 20), 90. See also Smoke (fn. 5), 304–5.

[27] See Jaap Nobel, ed., *The Coming of Age of Peace Research: Studies in the Development of a Discipline* (Groningen, The Netherlands: STYX Publications, 1991).

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THE 1980S

The breakdown of détente and the renewal of cold war tensions in the late 1970s and 1980s once again stimulated interest in security studies. Student interest was rekindled, foundation money poured in, and research burgeoned, as the old *national* security studies was replaced by the new *international* security studies.

The new international security studies, however, looked much like the version of national security studies that had evolved after 1955. One writer, who had written a comprehensive survey of the field in 1975, noted the renaming of the field and observed that "the substance of the problems addressed did not change markedly from what national security specialists had been working on earlier."[28] Another writer proclaimed the rejuvenation of security studies in the 1980s as the "renaissance" of the field. Defining the field as "the study of the threat, use, and control of military force," he portrayed the renaissance as bringing history, psychology, and organization theory to bear on such familiar topics as deterrence theory and nuclear weapons policy and consideration of such topics as the conventional military balance, the danger of surprise attack, alternative force postures, and the role of the U.S. Navy.[29] Although there were undoubtedly new insights during the 1980s, such topics continued to reflect the preoccupation that had characterized the field since 1955—the use of military means to meet military threats. It is small wonder that a European security specialist, noting the military focus of strategic studies, recently observed that "in the United States the field of international security studies has often been equated with strategic studies."[30] The cold war not only militarized American security policy, it also militarized the study of security.[31]

In sum, a case can be made that the origins of security studies predate the cold war, nuclear weaponry, and the so-called golden age. The

[28] Richard Smoke, *National Security and the Nuclear Dilemma: An Introduction to the American Experience in the Cold War*, 3d ed. (New York: McGraw-Hill, 1993), 328.

[29] Walt (fn. 19). Walt also portrays the "renaissance" as characterized by a commitment to more rigorous scholarly standards. Although he notes that much work on security topics fails to meet basic scholarly standards and "should be viewed as propaganda rather than serious scholarship," he concentrates his review of the field on works that do "meet the standards of logic and evidence in the social sciences" (p. 213). He concludes, not surprisingly, that the field is doing quite well by social science standards. For a cogent critique of Walt's view of security studies, see Edward A. Kolodziej, "Renaissance in Security Studies? Caveat Lector!" *International Studies Quarterly* 36 (December 1992).

[30] Haftendorn (fn. 19).

[31] On the militarization of American security policy, see the essays by Allison and Treverton, Peterson, and Treverton and Bicksler, in Allison and Treverton; the essay by May in Hogan; and Richard H. Ullman, "Redefining Security," *International Security* 8 (Summer 1983).

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purpose of such an exercise is not just to set the record straight; it is also a way of placing the study of security during the cold war in perspective. The cold war permeated thinking about security for so long that it will be very difficult to break free from old habits of thought.

The cold war affected both the level of activity and the substantive focus of research on security. It focused attention on nuclear weaponry and strategies, on East-West relations, and on the security problems of the United States and Western Europe. At the beginning of the cold war, scholars operating within the broader framework of foreign policy studies and international politics considered national security as one of several important foreign policy goals, with important domestic dimensions and implications, to be pursued by nonmilitary as well as military means. During the cold war the primacy of national security, defined largely in military terms, came to be viewed more as a premise than as a topic for debate. Similarly, military instruments of statecraft became the central, if not the exclusive, concern of security specialists.

The question now is whether security studies so conceived is adequate for coping with post–cold war security problems.

II. Security Studies and the New World Order

During the cold war military threats to national security dominated all others in the eyes of most security specialists. With the end of the cold war have come numerous suggestions that resources once devoted to coping with military threats now be used to deal with such nonmilitary threats as domestic poverty, educational crises, industrial competitiveness, drug trafficking, crime, international migration, environmental hazards, resource shortages, global poverty, and so on.[32] The challenge, according to the Final Report of the Seventy-ninth American Assembly, is to "rethink the concept of national security" (Allison and Treverton, 446–47). Is the field of security studies capable of meeting this challenge? A tentative answer is suggested by examining the field with respect to three critical issues: the goal of national security, the means for pursuing it, and the relation between domestic affairs and national security.

Security as a Goal

The end of the cold war, like its beginning, raises the question of how important military security is in comparison with other goals of public

[32] See Allison and Treverton; and Joseph J. Romm, *Defining National Security: The Nonmilitary Aspects* (New York: Council on Foreign Relations Press, 1993).

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policy. Although security specialists have become accustomed to thinking in terms of trade-offs within the military sphere, such as that between missiles and submarines, they have been reluctant to extend that logic to trade-offs between military security and nonmilitary policy goals. Instead, they have tended to assert the primacy of military security over other goals. The following three passages are examples of this tendency.

> In anarchy, security is the highest end. Only if survival is assured can states safely seek such other goals as tranquility, profit, and power.[33]

> The axiom of *the primacy of national security* among the responsibilities of government cannot be escaped. . . . Governments, as a matter of empirical fact, almost invariably commit as many resources and sacrifice as many other desiderata as they feel necessary to preserve their national security.[34]

> States are surely concerned about prosperity, and thus economic calculations are not trivial for them. However, states operate in both an international political environment and an international economic environment, and the former dominates the latter in cases where the two come into conflict. The reason is straightforward: the international political system is anarchic, which means that each state must always be concerned to ensure its own survival. A state can have no higher goal than survival, since profits matter little when the enemy is occupying your country and slaughtering your citizens. (Mearsheimer, in Allison and Treverton, 222)

Each of these passages can be interpreted in (at least) two ways. On the one hand, since neither national security nor survival can ever be *completely* assured, there can be no limit on resources allocated to this purpose; and thus no trade-offs with other goals are ever admissible.[35] On the other hand, the passages may be interpreted as implying that such trade-offs are admissible only after a minimum threshold of assurance of survival and/or national security has been attained. The latter, somewhat generous interpretation is surely the more defensible.

The trouble with the second interpretation is that it fails to distinguish between the goal of national security (or survival) and other important goals. For example, the economist could assert the primacy of economic welfare, since states are likely to worry little about external military threats if their citizens have no food, clothing, or shelter, that is, no economic welfare. Likewise, the environmentalist could assert the primacy of environmental concerns, since minimum amounts of

[33] Kenneth Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979), 126.

[34] Smoke (fn. 5), 248; emphasis in original.

[35] This is not to suggest that the authors of these passages actually advocate unlimited defense spending. The relevant question is whether the logic of such passages provides any justification for a limit.

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breathable air and drinkable water are more important than security from external attack. In order to survive, states need minimum amounts not only of security from external attack but also of breathable air, drinkable water, economic welfare, and so forth. A state without armed forces to protect it from external attack may not survive, but a state without breathable air or drinkable water will surely not survive.

Of course, as King Midas learned, the value of anything—security, economic welfare, clean air—is determined not only by one's preferences but also by how much of it one has. The law of diminishing marginal utility is as applicable to national security affairs as it is to other spheres of social life. Although it is true that military security is an important goal of states, it is not true that conflicts with other goals of public policy will always—or should always—be resolved in favor of security. In a world of scarce resources, the goal of military security is *always* in conflict with other goals, such as economic welfare, environmental protection, and social welfare. This is just another way of saying that the pursuit of security involves opportunity costs—as does any other human action. A rational policymaker will allocate resources to security only as long as the marginal return from a dollar spent on an additional increment of security is greater than that for a dollar spent on other goals.

In order to justify shifting resources from guns to butter, one need not argue that butter is inherently superior to guns or that butter provides more total utility to society than guns. It is only necessary to argue that the *marginal* utility of an expenditure on butter exceeds that of the *marginal* utility of that same expenditure on guns. A rational policymaker cannot escape the necessity of comparing the value of an increment of security with an increment of other goals *at the margin*. The law of diminishing marginal utility suggests that the more abundant security is, the less valuable it is likely to be at the margin.[36] Those, including many of the writers reviewed here, who believe that the end of the cold war has made military security more abundant are therefore likely to suggest that the time has come to shift resources from security to other goals of public policy.

If *Rethinking American Security* is an accurate indicator, public policy

[36] Even conceiving of security as a matter of degree seems to be difficult for some security specialists. See Barry Buzan, *People, States and Fear: An Agenda for International Security Studies in the Post–Cold War Era*, 2d ed. (Boulder, Colo.: Lynne Rienner, 1991). Buzan asserts that the "word itself implies an absolute condition . . . and does not lend itself to the idea of a graded spectrum like that which fills the space between hot and cold" (p. 18). And Klaus Knorr notes that his treatment of security threats as matters of degree "causes a lot of conceptual uneasiness" for other scholars. Knorr, "Economic Interdependence and National Security," in Klaus Knorr and Frank N. Trager, eds., *Economic Issues and National Security* (Lawrence: Regents Press of Kansas, 1977), 18n.

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debates in the post–cold war world are likely to be increasingly concerned with trade-offs between military security and other public policy goals. An earlier generation of scholars, writing within the framework of foreign policy and international politics during the first decade after World War II, viewed the goal of military security as one of many public policy goals competing for scarce resources and subject to the law of diminishing marginal utility.[37] Many of their writings are more relevant to the post–cold war world than are those of more recent writers who assert the primacy of the goal of national security. To the extent that today's security specialists cling to the idea that security dominates all other public policy goals, they are unlikely to make helpful contributions to the post–cold war debate on public policy.

Means to Security

Security studies has traditionally devoted less attention to the goal of security than to the means by which it is pursued. More accurately, one should say that the field has tended to focus on *one* set of means by which security may be pursued, that is, military statecraft. One recent review of the field, for example, ignores security as a goal and defines the field entirely in terms of means, that is, "*the study of the threat, use, and control of military force.*"[38] Likewise, Shultz, Godson, and Greenwood focus their volume on "the traditional and historical essence of the subject: the threat, use and management of military force" (p. 2).[39]

The reasons for the emphasis on means rather than ends are not self-evident. A partial explanation for the emphasis on military force may be found in the common practice of equating security interests with "vital interests." Since the latter are typically defined as those interests for which a country is willing to use force, some confusion between means and ends is almost inevitable.[40] Another possible explanation is

[37] E.g., Dunn (fn. 18); Wolfers (fn. 18); Lasswell (fn. 18); and Brodie (fnn. 17, 18). Defense economists, of course, have usually shared this view. Their voices, however, were more salient in security studies during the "golden age" than during the 1980s. See Charles J. Hitch, "National Security Policy as a Field for Economics Research," *World Politics* 12 (April 1960); Charles J. Hitch and Roland McKean, *The Economics of Defense in the Nuclear Age* (Cambridge: Harvard University Press, 1960); and James R. Schlesinger, *The Political Economy of National Security* (New York: Frederick A. Praeger, 1960). Walt's (fn. 19) recent review, for example, pays scant attention to the views of defense economists.

[38] Walt (fn. 19), 212; emphasis in original. Walt's definition of the field is puzzling, since he had criticized the tendency to define security solely in military terms in an earlier publication. Stephen M. Walt, "The Search for a Science of Strategy," *International Security* 12 (Summer 1987), 159–64.

[39] For other reviews of the field that emphasize military force as a means rather than security as an end, see Klaus Knorr, "National Security Studies: Scope and Structure of the Field," in Frank N. Trager and Philip S. Kronenberg, eds., *National Security and American Society: Theory Process, and Policy* (Lawrence: University Press of Kansas, 1973); and Nye and Lynn-Jones (fn. 5).

[40] See Bernard Brodie, *War and Politics* (New York: Macmillan, 1973), chap. 8.

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the tendency of security scholars to treat national security goals as "given." One writer describes the situation as follows:

> In the field of . . . foreign policy studies it is possible—in fact mandatory—to ask: "What goals do we want a foreign policy to accomplish?" But in national security there is no parallel question. It is "given" that the goal is to enhance security. An entire dimension of potential theorizing—everything that concerns problems of multiple possible purposes—is therefore nonexistent from its very root, in national security affairs.[41]

There is something peculiarly un-Clausewitzian about studying military force without devoting equal attention to the purposes for which it is used. Clausewitz's famous dictum that war should be viewed as policy by other means was meant to imply that military force should be understood in the context of the purposes it serves.[42]

From the standpoint of the military threats to security that tended to dominate the cold war era, the emphasis of security studies on military statecraft was understandable, though not necessarily justifiable. In the post–cold war era, however, many have suggested that nonmilitary threats be included under the rubric of national security (see especially Allison and Treverton). Many of these problems—for example, environmental protection, promoting human rights and democracy, promoting economic growth—are not amenable to solution by military means. To the extent that this is true, traditional security studies has little relevance.

The generation of scholars writing on security at the beginning of the cold war not only defined national security in broader terms but also had a more comprehensive view of the policy instruments by which it could be pursued. Wolfers observed in 1952 that security "covers a range of goals so wide that highly divergent policies can be interpreted as policies of security" and concluded that although armaments were often relevant, some situations called for "greater reliance on means other than coercive power."[43] Lasswell, writing in 1950, cautioned against "confounding defense policy with armament" and argued that "our greatest security lies in the best balance of all instruments of foreign policy, and hence in the coordinated handling of arms, diplomacy, information, and economics."[44] This broad view of the policy instruments relevant to the pursuit of national security is likely to be more

[41] Smoke (fn. 28), 330. See also Smoke (fn. 5), 259.

[42] See the interpretive essays by Bernard Brodie, Peter Paret, and Michael Howard, in Carl von Clausewitz, *On War* (Princeton: Princeton University Press, 1976).

[43] Wolfers (fn. 18), 484, 502.

[44] Lasswell (fn. 18), 75. Recent interest in "grand strategy" among security specialists has expanded the term to include diplomacy as well as military means, but economic statecraft and information remain neglected. On this point, see Walt (fn. 19); and Kolodziej (fn. 29), 434.

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useful in the post–cold war world than one that confines itself to military statecraft.

Domestic Affairs and Security

Although several of the authors reviewed here mention domestic concerns, Peter G. Peterson argues in his essay "The Primacy of the Domestic Agenda" (in Allison and Treverton) that American security is now threatened more by domestic problems than by external military threats. Noting the legislative mandate of the National Security Council, created in 1947, to establish a forum for integrating "domestic, foreign, and military policies relating to national security," Peterson contends that the domestic dimension of national security tended to be neglected during the cold war years. Recalling the National Security Council's early working definition of national security as preservation of "the United States as a free nation with our fundamental institutions and values intact," he argues that American security is now less endangered by military threats than by the crisis in education, an exploding underclass, and underinvestment in productive capacity and infrastructure. He calls upon those traditionally concerned with national security to broaden their focus to include concern for such domestic threats.

Peterson's view of national security poses a severe challenge to a field that has traditionally neglected domestic aspects of security. Indeed, to the extent that domestic affairs have been considered at all, they have been treated as sources of international conflict, as constraints on security policy, or as partial determinants of security policy.[45] They have not, however, been treated as sources of threats to security.

The close relationship between traditional security studies and the realist paradigm makes the possibility of incorporating domestic affairs especially difficult. Realists have tended to emphasize the anarchic international system rather than domestic affairs in their treatment of security issues. Similarly, the recent tendency to label the field *international security* rather than *national security* is likely to make it even harder to focus attention on the domestic aspects of security. The alleged benefit of international security is that it focuses attention on international interdependence and the security dilemma in thinking about security issues.

Once again, the writings of scholars at the beginning of the cold war are more in tune with Peterson's view of national security than are those by today's security specialists. Writing in 1949, Dunn spoke of a "grow-

[45] Nye and Lynn-Jones (fn. 5), 24; and Walt (fn. 19), 215, 224.

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ing realization" that a sharp distinction between domestic and international affairs serves as a "serious obstacle to clear thinking" and pointed to a "general tendency to reduce the line between 'international' and 'domestic.'"[46] Brodie in 1950 defended the idea of contracyclical manipulation of defense spending for the purpose of stabilizing the domestic economy.[47] And Lasswell, writing in the same year, sounds very much like Peterson in warning against "conceiving of national security policy in terms of foreign divorced from domestic policy" and in his call for "balancing the costs and benefits of all policies in the foreign and domestic fields."[48]

In sum, the field of security studies seems poorly equipped to deal with the post–cold war world, having emerged from the cold war with a narrow military conception of national security and a tendency to assert its primacy over other public policy goals. Its preoccupation with military statecraft limits its ability to address the many foreign and domestic problems that are not amenable to military solutions. In response, many of the authors reviewed here have called for the development of new ways to think about international relations and national security.

For some authors, this impetus for reform of security studies stems from the differences between the cold war era and its successor.[49] For others, the failure to anticipate the nature or timing of the end of the cold war revealed the deep-seated inadequacies not only of security studies but also of thinking about international relations and foreign policy more generally.[50] One might argue that it is unfair to single out security studies as bearing special responsibility in this regard, since no scholarly approach or field of interest proved more prescient than any other with respect to the surprise ending of the cold war. For security studies, however, precisely the claim of special expertise with respect to the cold war makes its failure to anticipate the end so embarrassing. The cold war was not just another event to be analyzed; rather, it was the progenitor of the field and its central focus from 1955 on.

[46] Dunn (fn. 18), 83.

[47] Brodie (fn. 18).

[48] Lasswell (fn. 18), 55, 75.

[49] See the essays by Allison and Treverton, Peterson, May, Michael Borrus and John Zysman, and Schelling, in Allison and Treverton; see Shultz, Godson, and Greenwood; and see the essay by Jervis, in Hogan.

[50] See Gaddis; and the essays by Gaddis and Ronald Steel, in Hogan. See also John Lewis Gaddis, "International Relations Theory and the End of the Cold War," *International Security* 17 (Winter 1992–93); and Kolodziej (fn. 29).

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III. Proposals for the Future

"Security studies as an academic field is in need of clarification," according to Haftendorn. "What is to be studied, how is it to be studied, and how is security studies to be distinguished from various subfields on the one hand and international relations on the other?"[51] Proposals for the future study of security may be divided into three groups according to the degree of reform they advocate.

Do Nothing

Not everyone agrees that reform is needed. For Mearsheimer, the essential defining characteristic of international politics has been and remains a zero-sum competition for military security. Whereas others may see a diminution of military threats to security, he maintains that the end of the cold war does not "mean that states will have to worry less about security than during the Cold War" (Mearsheimer, in Allison and Treverton, 235).

For Walt, the end of the cold war expands the agenda of security studies to include post–cold war security arrangements and makes the study of "grand strategy" more important; but it does not necessitate redefining the scope of the field. The end of the cold war, he contends, "will keep security issues on the front burner for some time to come."[52]

Modest Reform

Security Studies for the 1990s is based on the premise that reform of security studies would have been in order even if the cold war had not ended. According to this view, the latter event simply makes the case for such reforms more compelling. Although some of the contributors, especially Charles Kegley, Oran Young, and Edward Kolodziej, argue for radical reforms, most concentrate on minor reforms consistent with the editors' conventional definition of the subject as "the threat, use and management of military force, and closely related topics" (p. 2).

The editors identify weaknesses in the "first-generation curriculum" (1950–90) of security studies, including overemphasis on nuclear deterrence, the United States, Europe, and the former Soviet Union and neglect of the Third World, Asia, and nonmilitary instruments of policy. They then present model syllabi for eleven courses, which are dis-

[51] Haftendorn (fn. 19), 15.
[52] Walt (fn. 19), 225–27.

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cussed by various commentators. The three syllabi emphasizing economic, environmental, and regional aspects of security are the only ones that depart from the traditional security studies orientation. The inclusion of the regional security syllabus by Kolodziej is somewhat anomalous, since he clearly rejects the narrow traditional definition of security in favor of one broad enough to include domestic affairs, economic issues, human rights, and more. The inclusion of courses on economic and environmental aspects of security is in itself an innovation, of course; but the proposed syllabi do not depart significantly from conventional views of security. The syllabus on "environment and security," for example, emphasizes such topics as environmental tools of warfare (herbicides, for example), environmental side effects of warfare, and environmental disputes as causes of war.

Overall, *Security Studies for the 1990s* presents a view of the field not much different from the cold war version. What is needed, it suggests, is not fundamental reorganization of the field but rather modest reform.

Radical Reform

Radical proposals for reforming security studies include those that call for broadening the focus of the field and those that advocate reintegration of security studies with the study of foreign policy and international politics.

Proposals for expanding the focus of security studies have been advanced by numerous scholars, including Ullman, Buzan, Haftendorn, Kolodziej, and Kegley.[53] Recognizing that threats to national survival or well-being are not confined to the military realm, these proposals expand the notion of security threats to include such matters as human rights, the environment, economics, epidemics, crime, and social injustice.

These proposals are not necessarily tied to post–cold war developments. Indeed, any serious attempt to explicate the concept of security is likely to lead to a broader view—which may explain why traditional security specialists have usually avoided such exercises.[54] Reflections on

[53] Ullman (fn. 31); Buzan (fn. 36); Haftendorn (fn. 19); Kolodziej (fn. 29); and Kegley, "Discussion," in Shultz, Godson, and Greenwood, 73–76.

[54] On this point, see Buzan (fn. 36), 3–12. Recent reviews of the field by Nye and Lynn-Jones (fn. 5) and Walt (fn. 19), for example, do not attempt to define the concept of security. Although many of the contributors to *Security Studies in the 1990s* allude to the debate about alternative conceptualizations of the field, none of the eleven course syllabi includes the famous article by Wolfers (fn. 18) on the concept of national security.

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the post–cold war world, however, have increased the number of proposals for a broader conception of security.

For those seeking an enhanced understanding of the multiple vulnerabilities that beset humankind,[55] expanding the focus of security studies is clearly a step in the right direction. But from the standpoint of academic disciplines—admittedly a matter of minor importance to nonacademics—the advantages are less obvious. For to expand the scope of security studies is to blur even further the barely distinguishable line between the subfield of security studies and the main field of international relations and foreign policy studies. As Klaus Knorr recognized two decades ago, "If we wanted to study with equal emphasis all phenomena suggested by the term 'national security,' we would have passed on to the study of foreign policy or international relations as a whole."[56]

Perhaps the time has come to abolish the subfield of security studies and "pass on" or, more accurately, return to the study of foreign policy and international relations. In commenting on one of the syllabi in *Security Studies for the 1990s*, Oran Young observes that "there is a strong case for integrating international security studies into the broader curriculum on international relations"(p. 351).[57]

The following are the principal arguments on behalf of such a case.

1. *It overlaps too much with the fields of international politics and foreign policy*. Although expanding the focus of security studies makes the problem more obvious, there has never been a clear line between security studies and international politics and foreign policy studies. War has always been a central concern of international relations scholars; and national security policy, including war as an instrument of statecraft, has been part of that concern since 1940. Various scholars have noted the overlap, and none has been able to draw a clear line between academic security studies and its parent fields of foreign policy and international politics.[58] The intimate connection between military force

[55] Harold Sprout and Margaret Sprout, *Multiple Vulnerabilities: The Context of Environmental Repair and Resources*, Research Monograph no. 40 (Princeton: Center of International Studies, Princeton University, 1974).

[56] Knorr (fn. 39), 6.

[57] Kolodziej (fn. 29) warns against consigning security studies to "a ghetto within the academy" and suggests that such studies be integrated into "as inclusive a spectrum of disciplinary units as possible" (pp. 436–37). On "reintegrating" strategic thought "into the mainstream of the theory of international politics," see also Laurence Martin, "The Future of Strategic Studies," *Journal of Strategic Studies* 3 (December 1980), 91–99.

[58] E.g., Lyons and Morton (fn. 5); Bock and Berkowitz (fn. 5); Smoke (fn. 5); Knorr (fn. 39); and Haftendorn (fn. 19).

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and foreign policy was clearly recognized before the "golden age" of security studies began:

> On the important matter of the necessary relation between armed force and policy, nothing in the profession of a soldier—not his training, his tactics, his weapons, his code of war—and nothing in military policy of any American command, from the battalion to the Joint Chiefs of Staff, is without reference to policy. Strictly speaking, there is no such thing as a purely military matter.[59]

The basic concepts of security studies (for example, power, balance of power, the security dilemma, limited war, and various concepts from deterrence theory) are covered in standard courses on international politics. And it would be difficult to imagine a course on foreign policy that did not include military policy (which cannot be said for foreign economic policy). In American universities at least, the dominance of the realist paradigm ensures that standard security studies topics will be covered.[60]

There is a certain irony in the fact that it is precisely the hard-core realist security scholars who are in the weakest position to make the case for security studies as a separate subfield. If one believes that military competition among sovereign states is "*the distinguishing feature* of international politics" (Mearsheimer, in Allison and Treverton, 214; emphasis added), then one must assume that a well-designed course in international politics will focus on many of the same topics as will a course in traditional security studies. "Since Thucydides in Greece and Kautilya in India," asserts Kenneth Waltz, "the use of force and the possibility of controlling it have been the preoccupations of international-political studies."[61] It is hard to make a case for the study of military force as a subsidiary endeavor if one believes that this topic should be the central focus of the principal field. Subfields, by definition, deal with subtopics.

There is also a certain irony in the fact that the overlap is a natural pedagogical consequence of the teachings of two intellectual heroes of conventional security studies—Clausewitz and Schelling. The pedagogical implication of Clausewitz's famous dictum is that war should

[59] William Yandell Elliott et al., *United States Foreign Policy: Its Organization and Control* (New York: Columbia University Press, 1952), 159. This view of foreign policy would be broad enough to include even tank tactics, which are specifically excluded from the purview of security studies by Nye and Lynn-Jones (fn. 5), 7; and Smoke (fn. 5), 251.

[60] On the dominance of realism in courses, see Hayward R. Alker and Thomas J. Biersteker, "The Dialectics of World Order: Notes for a Future Archaeologist of International Savoir Faire," *International Studies Quarterly* 28 (June 1984); and Alfredo C. Robles, Jr., "How International Are International Relations Syllabi?" *PS* 26 (September 1993), 526–28.

[61] Waltz (fn. 33), 186.

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not be studied separately from broader issues of foreign policy and international relations. When our thinking about war is divorced from our thinking about political life, he argued, "we are left with something pointless and devoid of sense."[62] And Schelling taught us to think about war and military strategy in the context of international bargaining processes in which conflict and cooperation are inseparable.[63] The teachings of Clausewitz and Schelling provide powerful arguments for integrating the study of security with the study of foreign policy and international politics.

2. *It impedes policy relevance.* Despite the commitment of most security studies scholars to policy relevance, the field is severely handicapped with respect to its ability to contribute to the broad debates on public policy likely to characterize the post–cold war world. These handicaps arise from its treatment of both means and ends. That relating to means is the more fundamental because it is inherent in the definition of the field in terms of the threat, use, and control of military force. Although some security problems may be adequately addressed by comparing the pros and cons of various types of military statecraft, most important problems involve consideration of nonmilitary techniques of statecraft as well. Policymakers rarely define a security problem as, We have these weapons; now what can we do with them? Rather, they ask, We have this problem; what means are available for coping with it? Policymakers need help in evaluating the utility of *all* the instruments available to them, including diplomacy, information, economic statecraft, and military statecraft.

Consider the following question, which many security specialists would view as central to the field: "Under what conditions should states employ military force and for what purposes?"[64] The obvious answer is that states should employ military force when its prospective utility exceeds that of alternative techniques of statecraft. The problem is that this can be determined only by comparing the costs and benefits of alternative techniques of statecraft with those of military force. Those who confine themselves to the study of one type of statecraft are logically incapable of judging the utility of that type of statecraft for any problem with respect to which other types of statecraft are potentially relevant.[65]

[62] Clausewitz (fn. 42), 605.
[63] Schelling (fn. 23); and idem, *Arms and Influence* (New Haven: Yale University Press, 1966).
[64] Walt (fn. 19), 226.
[65] For discussion of the logic of evaluating techniques of statecraft, see David A. Baldwin, *Economic Statecraft* (Princeton: Princeton University Press, 1985).

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Hedley Bull recognized this problem in his famous defense of strategic studies:

> No doubt strategists are inclined to think too readily in terms of military solutions to the problems of foreign policy and to lose sight of the other instruments that are available. But this is the occupational disease of any specialist, and the remedy for it lies in entering into debate with the specialist and correcting his perspective.[66]

Bull's proposed "remedy," however, depends on the willingness and capability of others to correct the military bias of the security specialist.[67] In today's context this passage would seem to suggest that subfields other than security studies bear the responsibility for correcting the military bias in security studies. There are, however, no other subfields defined in terms of techniques of statecraft: the subfield of foreign policy studies is not defined in terms of diplomacy, and international political economy is not defined in terms of economic statecraft. What is needed is a field of specialization that subsumes the study of all types of statecraft, for example, traditional foreign policy studies.

With respect to ends, the handicaps of conventional security studies are real but not inherent. The tendency to assert the primacy of national security and the consequent resistance to thinking in terms of trade-offs between security and other goals impedes policy-relevant debate, but this is a correctable defect. All that is required is a return to the view that marginal utility analysis is relevant to judging the importance of security relative to other goals.

Another significant but remediable handicap is the tendency to treat goals as given and to accept the framework of assumptions within which policymakers define security problems.[68] In the post–cold war world it is precisely this framework of assumptions that needs to be reassessed. There is no inherent reason why those who study military force must accept the outlook of those who use it. Witness the example of the peace researchers.

Reintegrating the study of the threat, use, and control of military force with traditional foreign policy analysis would facilitate both the

[66] Bull, "Strategic Studies and Its Critics," *World Politics* 20 (July 1968), 599–600. Bull's concept of strategic studies is roughly equivalent to the conventional American view of security studies in terms of the threat, use, and control of military force.

[67] In fairness to Bull, it should be noted that he was opposed to separating strategic studies from the wider study of international relations.

[68] On this point, see Walt (fn. 19); Kolodziej (fn. 29); and Samuel P. Huntington, "Recent Writings in Military Politics: Foci and Corpora," in Huntington, ed., *Changing Patterns of Military Politics* (Glencoe, Ill.: Free Press, 1962), 240. As early as 1949, Dunn (fn. 18) noted this tendency and expressed concern about allowing "the consumers of research, and especially the governmental decision-makers, to determine the questions on which academic researchers shall work" (p. 84).

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assessment of the utility of military statecraft and the comparison of security with other policy goals. Policy relevance would thereby increase.

3. *It is mislabeled.* Unless one is willing to argue that military threats to national well-being are the only ones that matter, it is difficult to justify labeling the study of the threat, use, and control of military force as "security studies." This cannot be dismissed as merely a semantic problem. Connotations have consequences, and for the last forty years the consequence of designating something as a security issue has been synonymous with asserting its relative importance. High politics implies low politics; vital interests imply nonvital interests; and important issues imply unimportant issues. "National security" is therefore not just another label; it is a powerful political symbol. This has been well understood for a long time. In 1952 Wolfers pointed out that "any reference to the pursuit of security is likely to ring a sympathetic chord."[69] And in 1993 Shultz, Godson, and Greenwood noted that "everyone agrees that 'security issues' are important and deserving of national prominence and financial support" (p. 1).[70]

It is precisely because "everyone agrees" that security issues are important that they should not be consigned to a separate subfield. Although some subfields are more important than others, no other academic discipline contains a subfield designated, in effect, "the study of important issues."[71]

4. *Security is too broad.* As a theoretical concept, "security" is too broad to define a subfield. Broad analytical concepts, such as power, interdependence, welfare, cooperation, conflict, public interest, and security, are relevant to all subfields of international relations and should be the special province of none. Buzan rightly points out that the concept of security is broad enough to integrate the fields of international relations theory, international political economy, area studies, peace studies, human rights, development studies, international history, and so forth.[72] It is precisely for this reason, however, that it should not be used to delineate a single subfield. Lasswell understood the broad applicability of the concept, which prompted his observation that "there are no

[69] Wolfers (fn. 18), 481.

[70] For other studies referring to national security as a symbol of importance, see Buzan (fn. 36), 19, 370; and Brodie (fn. 40).

[71] Although it could be argued that American scholars were simply following standard governmental terminology, even this justification may disappear. President Clinton's *National Security Strategy of Engagement and Enlargement* (Washington, D.C.: White House, July 1994) emphasizes economic prosperity, population growth, environmental degradation, mass migration of refugees, narcotics trafficking, and promoting democracy, as well as traditional military concerns.

[72] Buzan (fn. 36), 372.

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experts on national security. There are only experts on aspects of the problem."[73]

The third and fourth arguments outlined above, concerning the mislabeling of the field and the breadth of the concept of security, are based on the assumption that both the label and the concept are important to security studies scholars. To the extent that such scholars are willing to give up both the label and the claim of special expertise with respect to the security problematique, those arguments would be nullified. Renaming the field as "military studies," "war studies," or something similar, however, would not affect the first or second arguments discussed above.

If reintegration of security studies into the broader curriculum of foreign policy and international politics is desirable, why not apply similar logic to other subfields, such as international political economy (IPE)? The answer to this question is instructive. If the rationale for subfields is to ensure that important subtopics are not neglected, the emergence of IPE as an identifiable subfield during the 1970s was justified by—and a reaction to—the widespread neglect of the topic by international relations scholars during the 1950s and 1960s.[74] To the extent that the larger field focuses on the politico-economic aspects of international relations, the rationale for a subfield of IPE is weakened. In principle, then, one can well imagine a situation in which the arguments for reintegration of security studies would apply, mutatis mutandis, to IPE. If the dominant paradigm for the study of international relations were Marxist-Leninist, for example, one might well argue that a subfield of IPE was unnecessary on the grounds that it overlapped too much with the main field of study. Under such circumstances, one might argue that a subfield of security studies is needed in order to ensure that politico-military aspects of the subject are not neglected. The case for the traditional subfield of security studies is strongest when realism is not the dominant paradigm. It is paradoxical that traditional security studies flourished during the cold war, when realism was at its apogee and the rationale for the subfield would seem to have been weakest.

It is sometimes argued that the existence of security studies as a subfield is justified by the continuing importance of war and military strategy in human affairs. The question here, however, is how, not whether, to study war and military strategy. The reintegration of such topics into the study of international politics and foreign policy would not put aca-

[73] Lasswell (fn. 18), 55–56.

[74] Susan Strange, "International Economics and International Relations: A Case of Mutual Neglect," *International Affairs* 46 (April 1970), 304–15.

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demic security specialists out of work. It would, however, set their work in a broader context that would increase its relevance to the post–cold war world.

IV. Conclusion

The emergence of security studies as an identifiable subfield of international relations was closely related to the cold war. Interest in the field tended to rise and fall with cold war tensions, and the substantive focus of the field tended to be dominated by cold war issues. Is there a role for security studies now that the cold war is over? The answer to that question depends partly on one's view of the state of the subfield and partly on one's vision of the post–cold war world.

The vision of the post–cold war world presented by many of the contributors to the books under review is one in which nonmilitary foreign and domestic threats to American security have increased in importance, even as external military threats have decreased in importance. As a means of pursuing national security, military force is viewed as less useful than it used to be, though certainly not irrelevant. Some call explicitly, others implicitly, for a fundamental reexamination of the theories, concepts, and assumptions used to study national security during the cold war.

The purpose of this review has been to lay the groundwork for such a reexamination by contrasting the study of national security at the beginning of the cold war with security studies at its end, by evaluating the relevance of contemporary security studies to the new world order, and by laying out a wide range of proposals for reforming security studies. The world of the 1990s is not the world of 1945–55, but some of the modes of thought, policy concerns, concepts of security, and discussions of statecraft developed during that period appear more relevant to the post–cold war era than those bequeathed to us by the cold war. Scholars searching for ways to think about security problems in the 1990s may find it useful to consult the writings of this older generation of scholars. The answers to today's problems are not to be found there, but some of the right questions are.

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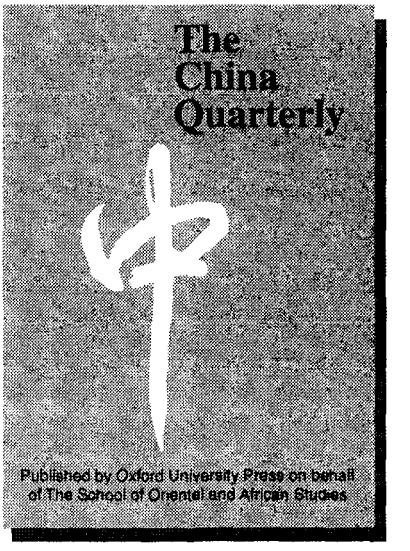

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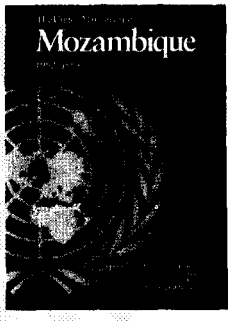

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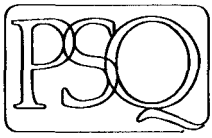

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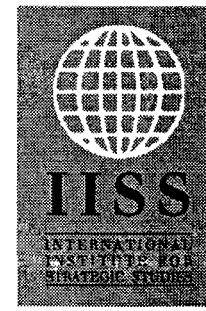

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